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EC Rate of Inflation Falls to Record Low

Compiled by Our Staff From Dispatches

LUXEMBOURG — The European Community's annual inflation rate fell below 4 percent for the first time ever in April, despite a slight price rise in the month, the EC statistics office, Eurostat, said Monday.

It said that prices for the community as a whole rose 0.4 percent from March to April, compared with 0.2 percent the month before, but the year-on-year rate fell to 3.7 percent at the end of April from 4.1 percent in March.

Eurostat said the higher rise for the 12 EC nations in April was due mainly to sharp increases in some countries.

According to a recent report by the Organization for Economic Cooperation and Development, European inflation has been falling because of weaker oil and commodity prices, along with moderate increases in wages and other business costs.

The moderate wage increases can be linked to both the austerity policies of many European countries and the declining strength of labor unions in collective bargaining, it said.

Prices in West Germany and Luxembourg fell for the third consecutive month, mainly because of lower oil prices, Eurostat said.

For West Germany, the April result means that its prices are falling on an annualized basis, the first time an EC member nation has recorded disinflation in more than 25 years.

Eurostat also published figures showing that Denmark is the most expensive EC country to live in, and Portugal, where the cost of living is half that of Denmark, is the cheapest.

Following are the April annual inflation rates for EC nations with monthly movements in brackets: West Germany, down 0.2 percent (down 0.1 percent); France, up 2.7 (up 0.4); Italy, up 6.8 (up 0.3); the Netherlands, up 0.7 (up 0.4); Belgium, up 1.4 (up 0.3); Luxembourg, up 0.5 (down 0.1); Britain, up 3 (up 1); Denmark, up 3.9 (up 2.5); Greece, up 24.7 (up 1.5); Spain, up 7.8 (up 0.3); Portugal, up 12.3 (up 1.3). *(Reuters, IHT)*

West German manufacturing industry's orders were down in March. Page 11.

Japanese Plan Early Elections

Party Decision Boosts Prospects Of Nakasone

By Susan Chira
New York Times Service

TOKYO — After weeks of political wrangling, leaders of Japan's ruling party handed a key political victory Monday to Prime Minister Yasuhiro Nakasone by agreeing to hold elections in both houses of parliament this summer.

Leaders of the ruling Liberal Democratic Party, at a daylong meeting, approved an extraordinary parliamentary session, a prerequisite for the simultaneous election.

The victory could encourage Mr. Nakasone to remain in office beyond the end of his second term as president of the party, and possibly to try to stay on as prime minister. His term ends in October, and current party rules forbid a third term.

"I am very pleased," Mr. Nakasone said, "to have gained all-party unity toward convening the extraordinary Diet session." The Diet is the Japanese parliament.

The special session, to be held June 2, will allow Mr. Nakasone to dissolve parliament and call a quick election of the lower house, timed on the same day as a scheduled vote for the upper house, July 6.

The decision to hold a special session was necessary because the Diet can be dissolved only while it is meeting. It also signaled a turnabout in Mr. Nakasone's political fortunes.

Just two weeks ago, the prime minister appeared to be in trouble. Politicians and the press excoriated him for failing to secure an agreement to halt the rise of the value of the yen at the Tokyo summit of seven industrial nations.

Then a reapportionment plan submitted to Japan's parliament appeared to hurt his chances of calling elections in both the lower and upper houses of parliament.

Mr. Nakasone contended that a double election, which traditionally brings a high voter turnout that favors the ruling Liberal Democratic Party, would offer the party a chance to regain a clear parliamentary majority.

But his rivals within the party opposed the plan because they suspected that he wanted to ride the

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The Associated Press

President Hafez al-Assad of Syria, front right, accompanied by President Christos Sartzetakis, arriving Monday in Athens.

Assad Cautions U.S., Israel

In Greek Visit, Syrian Assails 'Armed Attacks'

By Robert H. Reid
The Associated Press

ATHENS — President Hafez al-Assad of Syria warned Monday that the United States and Israel were threatening to turn the world into "a battlefield" by using counterterrorism as a pretext for armed attacks.

The Syrian leader made the assertion in a speech on the first day of a three-day official visit to Greece, his first to a Western country in nearly eight years.

Western diplomats and the Greek media said that Mr. Assad's visit appeared aimed at countering allegations that Syria was sponsoring international terrorism.

Mr. Assad said: "This dangerous phenomenon of using armed attacks to realize political aims is a warning to the world that it will be turned into a battlefield in the grip of those who see that they have the capacity to attack and at the same time avoid punishment."

"That's what the United States did with its armed attack on Libya," he added, "and that's what Israel is doing in south Lebanon and all the occupied Arab lands, and that's also what" South Africa "is doing in the countries of southern Africa."

Mr. Assad said that countries pursuing such a policy "with counterterrorism as the pretext are making a mistake if they think that this road leads to the crushing of terrorism."

The Syrian leader, who seized power in a 1970 military coup, said his country opposes terrorism "because we have suffered from it."

He added, however, that Syria considers terrorism different from "national resistance against colonialism."

Greek state-run television broadcast Mr. Assad's remarks live. He spoke in Arabic and a Greek translation was provided by the Greek Information Ministry.

The Syrian leader arrived Monday morning at the Athens airport and was welcomed by President Christos Sartzetakis and Prime Minister Andreas Papandreou, a critic of Western anti-terrorist countermeasures against Libya, a Syrian ally.

The Athens News Agency

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Chernobyl Evacuees Pose Lasting Problem

By Serge Schmemann
New York Times Service

MOSCOW — Among the major problems facing Soviet authorities in the aftermath of the Chernobyl nuclear disaster is the future of tens of thousands of people displaced by the accident.

According to Soviet accounts, 92,000 people were evacuated from towns and villages in an 18.6-mile (30-kilometer) zone around the damaged reactor in the days and weeks after the accident.

Most left with nothing, apparently expecting to return after a few days.

In addition to those compelled to leave their homes near the Chernobyl reactor at the town of Pripyat, untold thousands have left Kiev, 80 miles south of the reactor, and other cities and towns, either on the advice of authorities or on their own. Many have settled with acquaintances or in temporary homes across the Soviet Union, waiting for reassurances that it is safe to return.

Beyond that, hundreds of thousands of children, who were released early from school in Kiev and other places in a vast radius around the reactor, are being dispersed among summer camps.

The sudden scattering of so many people, in a country where the government is accustomed to carefully controlling the movements of its citizens, has created unusual problems.

One complication was that the evacuees were placed in far-flung villages and farms, often crowded into the homes of residents or in temporary barracks.

Many were evacuated with only the clothes on their back, and maybe some cash and papers.

"They were given only a limited time to gather their belongings," a doctor from Kiev, Yuri Shcherbak, wrote in the cultural weekly Literaturnaya Gazeta. "They left home in what they wore, taking along only the most necessary, and in the confusion some didn't even take that."

Four weeks after the evacuation began, the government has yet to indicate when people might start returning to their homes in the zone, beyond occasional assurances in the press that steps are being taken to decontaminate the houses.

Gradually, however, newspapers have begun preparing evacuees for the fact that their stay away from home might last into the winter and beyond.

One Moscow newspaper reported plans to build a new settlement for the Chernobyl station's workers, but it left unclear whether this meant that Pripyat, the service town of about 25,000 adjacent to the plant, which was the most thoroughly contaminated populated area, might be abandoned.

Among the most critical but rarely mentioned problems with the evacuees is the long-term effect of the radiation to which they were exposed.

The residents of Pripyat and the six-mile zone immediately around the power station were not moved until 36 hours after the accident.

Official Soviet Death Toll Reaches 19

By Celestine Bohlen
Washington Post Service

MOSCOW — The death toll from the accident at the Chernobyl nuclear power plant has risen to 19, according to a senior Soviet scientist.

Yevgeni P. Velikhov, vice president of the Soviet Academy of Sciences, announced the figure at a news conference that was reported by the official news agency Tass.

It was the first official revision of the casualty figure given in Moscow since the Soviet leader, Mikhail S. Gorbachev, said that nine people had died as of May 14.

In Vienna last week, a Soviet official said the count had reached 15, but that figure was not reported in the Soviet Union.

"The Chernobyl event will influence and affect our decisions in future technical and administrative policies," he said.

At the same time, he reiterated Soviet commitment to its nuclear program, now poised to more than double its capacity in the next five years.

Mr. Velikhov gave no further details on the April 26 accident itself, or its causes which he said would be provided by a government commission.

However, Mr. Velikhov indicated that a series of "incorrect actions" could have triggered a chain of events, leading first to sudden surge in power, a release of steam and finally a hydrogen explosion.

South African Violence Makes 30,000 Homeless

By Alan Cowell
New York Times Service

CROSSROADS, South Africa — As many as 30,000 people are said to have been made refugees in their own land and more than 30 have died in a week of violence pitting conservative black vigilantes against loyalists of radical black leaders in this huge squatter camp near Cape Town.

The fighting, in which the radicals were defeated, has devastated large tracts of the camp, leaving the burned shells of hundreds of shacks as monuments to the conflict.

The police said Monday that the death toll in the factional fighting in Crossroads rose to 42 when officers found two burned bodies Monday in the rubble of burned shacks. The Associated Press reported from Johannesburg.]

The conflict has not only highlighted territorial disputes between political groups in Crossroads, but also raised questions about the role of South Africa's security forces, which actively supported the vigilantes, according to several reports. Critics of the government assert that by using the vigilantes as surrogates, the authorities are seeking to achieve by force what could not be done by persuasion.

For years the white authorities have sought to persuade Crossroads residents to move to a new settlement 10 miles (16 kilometers) away called Khayelitsha, but few have agreed to go.

The authorities have said that those made homeless by the fighting will not be permitted to rebuild their shacks, and army units have established a barbed-wire cordon around the devastated area.

"There is no possibility that the people can go back to Crossroads," Chris Heunis, the minister responsible for the area, said last week.

Huge palls of black smoke blotted out the sun over Crossroads last week as the vigilantes, known in Afrikaans as *witdoeke* after the strips of white cloth they wear for identification purposes, clashed with the radicals, known as "the comrades."

The vigilantes set fire to homes as they went. Shots were fired, witnesses said, and in one incident unidentified gunmen ambushed a minibus, forced it to stop and hacked its five occupants to death.

Police and army units patrolling the densely packed area, witnesses said, failed to keep the two sides apart, but intervened on some occasions when it seemed that the vigilantes were losing.

The security forces vigorously deny taking sides, but an activist cleric, Sidney Luckett, said after visiting the camp last week, "I think the authorities found this as a way of clearing these people out."

Mr. Luckett said he had spoken to three whites accompanying some vigilantes, and they had identified themselves as police officers.

In many of South Africa's segregated black townships, conservative black groups have banded together to form vigilante units opposed to the growing influence of youthful black radicals.

The government's critics say the vigilante groups suit the authorities' purpose in clamping down on black protest, which has claimed

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The Associated Press

Virgilio Barco Vargas, the Liberal Party candidate, announces his victory in Colombia's presidential election. With him is his U.S.-born wife, Caroline Isakson de Barco.

Liberals' Barco Wins Colombia Election

By Bradley Graham
Washington Post Service

BOGOTA — Virgilio Barco Vargas, the Liberal Party candidate and a political moderate, has won a decisive victory in Colombia's presidential election.

[With results nearly complete, Mr. Barco had obtained about 51 percent of the 7.5 million votes cast Sunday to about 31 percent for his principal opponent, Alvaro Gómez Hurtado of the governing Conservative Party, Reuters reported Monday.]

Mr. Gómez conceded defeat, saying in a television statement: "The figures show the next president will be Virgilio Barco."

The outgoing president, Belisario Betancur, visited Mr. Barco to congratulate him and said, "The flag of the nation has been placed in good and firm hands." He promised his full cooperation during the transition.

Mr. Barco, 65, is a U.S.-educated engineer who gained a reputation as an able administrator during a long government career.

He campaigned on a platform promising greater firmness against leftist guerrillas, more welfare for the poor and a lower profile for Colombia in the Contadora peace process, the effort by several Latin American countries to end guerrilla conflicts in Central America.

Also contributing to the Liberal leader's victory were fears of a spread in public violence and public discontent with the unfulfilled promises of Mr. Betancur, a Conservative Party member.

Soldiers and police were mobilized nationwide to guard against terrorist attacks during Sunday's vote. In recent weeks, Colombia's various guerrilla forces, who are seeking greater public participation in government and economic aid for lower income groups, have stepped up bombings of party headquarters, ambushes of military patrols and raids on small towns.

The heavy security did not appear to dampen the election day's festive atmosphere. Polling places were surrounded by party stands adorned with flags and posters.

Mr. Barco, who appeared assured of victory early in the campaign, stuck to generalities in speeches aimed at uniting and mobilizing the Liberals, Colombia's largest party. Though considered a poor speaker, he grew more at ease during the campaign.

Methodical and demanding, Mr. Barco established a reputation as a good manager in previous posts as mayor of Bogota and as minister of public works and agriculture. He has also served as ambassador to London and Washington. He is married to an American.

Mr. Barco has indicated that after he takes office Aug. 7, he will be less tolerant of abuses in the cease-fire agreements negotiated by Mr. Betancur than was the outgoing president, and will attempt to coordinate his policy more closely with the military.

At the same time, Mr. Barco is said to be preparing offers of rural development and social reform to persuade all guerrilla groups to lay down their arms.

In international relations, Mr. Barco is known to favor a lower profile for Colombia in the Contadora group, which Mr. Betancur helped establish, and to give more attention to relations with Colombia's immediate neighbors.

Mr. Betancur, a politician with a

See COLOMBIA, Page 7

Israel Rejects U.K. Call for Arab Poll

Reuters

JERUSALEM — Israel rejected a proposal by Prime Minister Margaret Thatcher on Monday to hold municipal elections in the occupied West Bank and Gaza.

Defense Minister Yitzhak Rabin, who is responsible for administering the Arab territories captured by Israel in the 1967 Middle East war, told the British prime minister hours before she met with Palestinian leaders that he did not believe elections would help bring peace.

Mr. Rabin said: "I said that it looks very strange that the first place in the whole Arab world that there will be free elections will be under so-called Israeli military occupation while in all the Arab countries there is not one elected mayor."

Mrs. Thatcher, on the third day of a four-day visit, urged Israel to hold elections among the territories' 1.3 million Palestinians to encourage a moderate leadership.

Municipal elections in 1976 brought to power mayors who backed the Palestine Liberation Organization. Many were deposed five years later by Israel for not cooperating with the military authorities.

Mr. Rabin said Israel did not want to repeat the experience and called on Europe instead to do more to improve health conditions and Arab welfare in the territories.

Mrs. Thatcher's talks with eight Palestinian dignitaries were opposed by some Palestinian newspapers.

The daily Al-Shaab, reflecting views of leftist PLO sympathizers, said that Mrs. Thatcher "continues her well-known role of serving the White House and its hostile schemes," it said.

An editorial against the meeting, written for the daily Al-Mithaq, which supports radical Arab nations, was censored by the Israeli authorities.

Al-Fajr, whose editor, Hanna Siniora, was one of the Palestinians she was to meet, expressed the hope that Mrs. Thatcher's visit would lead to concrete peace initiatives.

Britain Beckons to Worried U.S. Tourists

By Karen DeYoung
Washington Post Service

LONDON — Millions of Americans died or were seriously injured last year in accidents ranging from car crashes to choking on their dinner, Britain's newly designated ambassador to Washington, Sir Antony Acland, told the American Chamber of Commerce here last week.

Since only a relative handful of Americans were killed or injured in terrorist incidents overseas, he said, Americans should realize that "it is in fact, far safer to travel abroad than to stay at home."

His comments were part of a campaign that has enlisted virtually every government official and has found himself in front of a U.S. audience in the last several weeks.

In an interview with U.S. television networks last week, Prime Minister Margaret Thatcher said: "The chance of being affected by terrorism in this country is about the same as the chance of being struck by lightning."

"Please come," Mrs. Thatcher implored. "We want you."

The public statements coincide with new promotional offers to lure Americans across the Atlantic, including free airline tickets to London and special teas at Harrods department store, and a nationwide U.S. advertising promotion, "We Speak Your Language."

Whether American travelers can be persuaded is a crucial question for the tourist industry throughout Europe this summer. So far airline, hotel and hotel cancellations in Western Europe are running from 10 to 70 percent.

Concern about terrorism tops the list of reasons for bypassing Europe, according to industry spokesmen. But close behind has come new anxiety about radiation fallout from the Soviet nuclear accident in Chernobyl. Many of those

> **'The chance of being affected by terrorism in this country is about the same as the chance of being struck by lightning.'**
>
> ***Margaret Thatcher, British prime minister***

brave enough to make the trip anyway have been put off by the current weakness of the U.S. dollar against European currencies.

In Britain, which sees itself as a safe and orderly society, a special friend to Americans and a deserving ally for its support of the U.S. bombing raid against Libya, the cancellations are considered an insult as well as an economic injury.

The dismay they have provoked has been compounded by earlier predictions that 1986 would be the biggest year ever for the British tourist industry, building on record-breaking 1985. The 3.3 million U.S. tourists who traveled here last year, spending nearly $2 billion, were more than the total visiting all of the rest of Europe.

Early indications that trouble was ahead followed the Dec. 27 terrorist attacks at the Rome and Vienna airports. Then came the April 2 bomb explosion aboard a TWA jet en route from Rome to Athens and the bomb in a West Berlin discotheque.

But not until April 15 dawned with the news that U.S. jets had taken off from British bases to bomb Libya were the implications of the rash of terrorist attacks brought home here.

No sooner had the Libyan leader, Colonel Moamer Qadhafi, threatened retaliation against Britain as well as the United States than a bomb was discovered as it was being carried aboard an Israeli airliner at London's Heathrow airport. Although the incident apparently was unrelated to the attack on Libya, the timing could not have been worse.

Less than a week later, a central London office shared by British Airways, American Express and American Airlines was bombed.

Although many hotels and tourism organizations in Britain are reluctant to give figures, representatives of some travel agencies estimated that bookings for central London hotels were down by about 40 percent. The British Incoming Tour Operators Association has estimated that the number of American tourists this month has dropped by 25 to 30 percent.

In the London theater district, where three major new musicals this summer hoped to follow the sell-out trends set by Andrew Lloyd

See TOURISTS, Page 7

INSIDE

José Azcagoa/Reuters

President José Napoleón Duarte of El Salvador watches President Daniel Ortega Saavedra of Nicaragua sign a pact to set up a Central American parliament. Page 6.

GENERAL NEWS

■ President Corazon C. Aquino of the Philippines allowed Marcos supporters five seats in a new constitutional panel. Page 6.

■ Tax-reform legislation drafted in the U.S. Senate will be substantially revised, congressional leaders said. Page 3.

■ East-West talks in Bern ended on an angry note, after the Soviet bloc rejected an easing of emigration and travel restrictions. Page 2.

BUSINESS/FINANCE

■ The World Bank is co-sponsoring a new organization to foster entrepreneurism in sub-Saharan Africa. Page 11.

■ The dollar was little changed in quiet trading. U.S. and British markets were closed. Page 13.

TOMORROW

The secret of American presidential politics, recognized by few politicians and even fewer voters, is the importance of the South. Insights.

WORLD BRIEFS

Shuttle Date Upsets Rocket Engineers

LOS ANGELES (UPI) — A space agency deadline to redesign the shuttle rocket booster in time for a proposed July 1987 launch has created the same pressure that led to the Challenger disaster, say engineers with the rocket maker, Morton Thiokol.

The projected deadline means "concern for safety is again being tempered by schedule demands" of the National Aeronautics and Space Administration, engineers in Brigham City, Utah, told the Los Angeles Times on condition their names not be used.

"The schedule seems to be driving us into early commitments to make decisions," said one engineer in an article Sunday. "They are trying to turn around quickly just so they'll be able to show everyone that they could turn around quickly."

The projected date for launching cannot be met until the faulty O-ring rocket seals, which allowed hot gases to escape and engulf the shuttle Challenger in flames in January, can be improved, tested and certified, the engineers say.

Communists Gain in Cypriot Poll

NICOSIA (Reuters) — The AKEL Communist party made gains in weekend Greek Cypriot elections, winning half the mayoral posts at stake and almost as many municipal council seats as the rightist Democratic Rally Party, final results showed Monday.

The poll Sunday in the Greek Cypriot sector of the island was for 18 mayors and 228 municipal councilors. Nine AKEL candidates were elected mayors and 70 won council seats. But AKEL failed to unseat the mayor of Nicosia, Lellos Demetriades, an independent backed by all the other parties.

The Rally Party won 73 council seats but only five mayoral posts. President Spyros Kyprianou's ruling Democratic Party and the Socialist EDEK party won 55 and 24 council seats respectively. One EDEK candidate was elected mayor. Three independents were elected mayors and six won council seats.

Allies and Bonn Discuss Berlin Curb

BONN (AFP) — Officials from the U.S., French and British embassies met Monday with West German Foreign Ministry representatives to discuss a response to East Germany's order that diplomats from the four countries show passports when traveling between East Berlin and West Berlin.

The U.S., French and British embasssies in East Berlin sent back a note received May 22, diplomatic sources here said. Berlin has special status under four-power agreement after World War II.

In Berlin, East German officials prevented some West German envoys from crossing to the eastern sector when they refused to show their passports, diplomatic sources said. The West Germans showed only the pass required until now. No French, U.S. or British diplomats were stopped at the crossing points, the sources said.

Prisoner Escapes by Copter in Paris

Michel Vaujours

PARIS (Reuters) — A gangster serving an 18-year prison sentence escaped by helicopter from La Santé prison here Monday. The police said the helicopter was piloted by a woman.

Michel Vaujours, 35, was waiting on the prison roof when the helicopter arrived. A second prisoner climbed a rope to the roof with Mr. Vaujours but failed to get aboard the craft.

The police said the helicopter was hired in the southwestern suburb of Saint Cyr on Monday by a woman accompanied by a man, and that both were about 30 years old. The craft landed at a football field soon after picking up the prisoner.

Nigerian Students Protest 15 Deaths

LAGOS (AP) — University students across Nigeria began strikes Monday after the police at a northern university shot and killed 15 persons at a campus demonstration.

Four students were killed in the unrest Friday and 11 died of their wounds over the weekend, doctors said Monday. The demonstration at the Ahmadu Bello University in Zaria was against a new policy of banning visits by men students to the dormitories of women students, newspaper reports said.

For the Record

A bomb exploded in Christian east Beirut Monday while, in the Moslem western sector, Palestinian guerrillas and Shiite Moslem forces fought gun battles. The police reported that four people were killed and 40 wounded in the day's violence. *(AP)*

Afghanistan and Pakistan made progress in the latest round of U.N.-sponsored talks, but disagree on how long it should take Soviet troops to withdraw from Afghanistan, Foreign Minister Sahabzada Yaqub Khan said in Islamabad on Monday. The talks, which began in Geneva on May 5 and recessed last week, are to resume on July 30. *(AP)*

Pakistan's National Assembly ousted its speaker, Fakhar Imam, on Monday, when it passed a no-confidence motion and ended a crisis that began when Mr. Imam ruled valid a motion to unseat Prime Minister Mohammed Khan Junejo because he allegedly violated the law by joining a political party before it was officially registered. *(Reuters)*

About 7,000 doctors in Peru ended a seven-week work stoppage Monday, returning to work at state hospitals, labor leaders said. The strike ended after President Alan Garcia pledged to draft a law providing automatic cost-of-living increases for doctors. *(Reuters)*

The Associated Press

U.S. Soldier Faints at Award Ceremony Held in West Berlin

An American soldier fainted Monday after being awarded the Purple Heart at U.S. military headquarters in West Berlin. The award was given to more than 30 soldiers who were injured when a bomb exploded at the La Belle discotheque in the city on April 5. The medal is presented to U.S. military personnel who are hurt or killed as a result of hostile actions against U.S. interests.

Vietnam Vets Find Tense Haven in Florida

New York Times Service

POMPANO BEACH, Florida — It is midmorning under a sweltering sun and a dozen Vietnam veterans living in the bush are working on their second case of beer.

Tattooed, bearded and thin, the men in the camp are the nucleus of a group of more than 60, most of them veterans of the Vietnam War, others simply drifters, who have sporadically made their home in a dense patch of tropical trees here for the past five years. They call it "the Jungle."

Some of the veterans give no details about their past or of their roles and ranks in Vietnam, or even their real names. But Vietnam haunts their lives. They say they even have an enemy: the Broward County Sheriff's Office, whose officers occasionally clear the men and their ramshackle huts from the woods. Officers say the woodsmen sometimes resort to shoplifting from businesses nearby.

The woodsmen have also drawn the anger of people who live nearby. Residents of the nearby Highlands neighborhood say the men sometimes take garments from their clotheslines and that the fringes of the 10-acre woods are strewn with garbage.

Recently, two of the shacks burned down. Sheriff's deputies say it was a brush fire. The woodsmen say it was arson.

On Monday night, according to the woodsmen, a group of local vigilantes wielding shotguns ran through the woods, although no shots were fired. "Easy pickings," a woodsman said he heard one of the intruders say.

George Crolius, public information officer for the sheriff's office, said: "There are some of those local hicks in the area and some of them do have firearms, and there's no telling what they might do. That's why we're eager to get the campers out of there and clean the place up."

Earlier this month, the Broward County Commission voted to find shelter for the men and provide them with medical assistance. Officials say they plan to have all the men out of the woods within six months and then raze the campsites, which they call a fire hazard.

The men, many of whom admit they have alcohol and emotional problems, acknowledge they need help. "Who wants to stay here forever," asked James Yohey, 52, a Korean War veteran who has lived in the woods for more than two years. "I realize we're a nuisance, an eyesore."

The men emphasize that their main reason for living in the woods is the camaraderie and trust between them.

"These are my brothers," said Ernie Cohen, "and I'm not leaving without them."

The woodsmen say that local veterans groups have offered them weapons but that they turned them down. Now, however, the men have set up a watch to guard against intruders.

"We're not out here playing Rambo in the woods," said one, who identified himself as T.C. "People here just gave up on society. Vietnam vets are square pegs in round holes. Just can't fit back in."

In the past year, law enforcement officers say, five of the men from the camps have walked onto the railroad tracks that parallel the camp's western edge and "kissed the train," parlance for committing suicide. The most recent death occurred April 26. The victim, a navy veteran, had not served in Vietnam. The campers are still wearing tattered black armbands.

Similarly reclusive veterans have been found living in remote areas of the Pacific Northwest and Hawaii, although the Veterans' Administration says it has no information on how many.

Here, in an unincorporated area of Broward County a few miles north of Fort Lauderdale, the men admit strangers to their camp but insist on escorting them in and out.

Huts are made of plywood, with pieces of clear plastic for windows and furniture salvaged from dumps. A hose attached to a fire hydrant, placed there in case of brush fires, serves as a shower. There is a low-slung hut called the Honeymoon Suite for men who have female visitors.

A pit 15 feet (4.5 meters) deep, called a "Charlie Hole" after the pits used by the Viet Cong guerrillas in Vietnam, is filling up with discarded beer cans. Eventually, the men have decided, the cans will be cashed in and the money given to the annual muscular dystrophy drive.

As their primary source of cash, the men get temporary jobs at construction sites or with trucking or storage concerns. But work is not always available. A veteran who calls himself Jack O'Diamonds sold his blood until his right arm became infected. "I got that from living in the jungle," he said.

A privately owned employment agency, Labor Force, across the Florida East Coast Railway tracks, is one source of jobs. When the woodsmen do decide to work, said Alvin Robinson, manager of the agency: "They're great workers. The customers come back and say, 'The guys don't look too good, but they work like a son of a gun.'"

Robert E. White, the director of the Fort Lauderdale Veterans Center, said he had been trying to help the men obtain benefits and medical attention. "They say they like to be there in the camp with each other, but deep down inside they don't feel that way," Mr. White said. "They're there because there's some issue they haven't faced."

Reagan Praises American War Dead

The Associated Press

ARLINGTON, Virginia — President Ronald Reagan paid tribute Monday at Arlington National Cemetery to the 1.2 million men and women who died in U.S. wars, including Vietnam veterans who fought "without enough support from home."

In a Memorial Day speech, Mr. Reagan said, "Today is the day we set aside to remember fallen heroes and to pray that no heroes will ever have to die for us again."

He went on to say, "They were quite a group, the boys of Vietnam, boys who fought a terrible and vicious war without enough support from home, boys who were dodging bullets while we debated the efficacy of the battle."

Proposed Security Trial Splits Israeli Cabinet

By William Claiborne
Washington Post Service

JERUSALEM — Israel's cabinet has split sharply over a recommendation by the attorney general to prosecute the head of the secret internal security services in connection with an alleged cover-up of the deaths in 1984 of two captured Arab bus hijackers.

The 10-member "inner cabinet" of senior ministers in the coalition government held a stormy debate Sunday over the highly classified controversy, but made no decision to limit the authority of Attorney General Yitzhak Zamir in pressing the case, a senior official said Sunday.

[Mr. Zamir decided Monday to go ahead with plans to prosecute the security chief, Reuters reported.

["I understand that Attorney General Yitzhak Zamir decided to go ahead," Justice Minister Yitzhak Modai told Armed Forces Radio. "It is his right and, in his view, his duty."]

Israel's military censor barred disclosure of details of the cabinet discussion and allegations made against the Shin Bet security chief.

The security chief, whose name cannot be published under censorship regulations, has been under investigation by Mr. Zamir for several months for allegedly suppressing evidence and obstructing justice in the probe of the deaths of the two Palestinian hijackers after they were taken into custody in April 1984 in occupied Gaza.

The two were captured when an army commando unit stormed the hijacked bus. A soldier, a passenger on the bus, was killed in the attack, and authorities said they found explosive devices planted by the Palestinian terrorists.

A major controversy erupted when the army command first announced that the two hijackers and two companions had died as a result of injuries sustained during the storming of the bus.

After an Israeli newspaper broke censorship and published a photo of two of the hijackers being led from the bus, handcuffed and without apparent injuries, the army acknowledged they had been interrogated before their deaths.

Last August, a military disciplinary board acquitted the army's chief infantry and paratroops officer of charges of "violent behavior" and conduct unbecoming an officer in the deaths.

The board ruled that pistol-whipping injuries caused to the Arab hijackers by Major General Yitzhak Mordechai with the butt of his pistol were "not unreasonable" in light of the circumstances surrounding their interrogation. The two Arabs died of skull fractures.

The disciplinary board ruled that the interrogation, carried out in a field near the bus, was done "in order to obtain vital and immediate information" in time to prevent injury from a bomb left on the bus.

Before the army's hearing, a special civilian investigating commission had recommended prosecution of General Mordechai, five members of the Shin Bet and three policemen who were at the scene.

After recommending that General Mordechai and the five Shin Bet agents be prosecuted, Mr. Zamir came under intense criticism from rightist members of the parliament.

Prime Minister Shimon Peres was reported by Israel television on Sunday to have said that there was a "legitimate difference of opinion" in the cabinet over the controversy, but that "security considerations" had to be given precedence.

Cabinet sources said that ministers opposing curtailment of Mr. Zamir's intention to prosecute the Shin Bet chief included Energy Minister Moshe Shahal, Economics Minister Gad Yaacobi and Communications Minister Amnon Rubenstein.

More Than 500 People Feared Dead After Ferry Capsizes in Bangladesh

The Associated Press

DHAKA, Bangladesh — A double-decker river boat carrying about 1,000 people capsized and sank during a storm, and a reporter for a Bengali newspaper said Monday that more than 500 people were feared dead.

The vessel sank Sunday in the Meghna River near the town of Barisal, 175 miles (about 280 kilometers) south of Dhaka.

Officials in Barisal said that rescue workers recovered 126 bodies and that many more were swept downstream. More bodies were thought to be in the sunken vessel.

Two rescue vessels carried out a salvage operation.

A reporter for Ittefaq, a Bengali-language newspaper, said that not more than 200 people had been able to swim to safety. He said at least 500 people were feared dead.

President Hussam Mohammed Ershad flew to the scene, the official BSS news agency said. A government inquiry has been ordered.

General Ershad ordered an immediate ban on the movement of double-decker ferries, BSS said.

On April 20, a double-decker ferry sank during a storm on the Dhaleswari River, 10 miles south of Dhaka. Unofficial estimates put the number of dead at more than 500 in that accident.

East-West Talks Close on Angry Note

United Press International

BERN — A 35-nation conference on improving East-West human contacts drew to an angry close Monday after the Soviet bloc rejected any meaningful easing of emigration and travel restrictions.

The six-week meeting had been convened to promote implementation of the Helsinki accords on European security and human rights.

Led by the United States, Western nations called for, among other things, the abolition of exit visas for Soviet Jews and other East bloc citizens wanting to join their families in the West.

They also proposed freer travel for people on both sides, especially to visit elderly or ailing relatives and in cases of death.

But the Soviet Union and other Warsaw Pact nations in general were only prepared to consider more exchanges between sports, trade union and other large groups.

Switzerland, on behalf of the neutral and nonaligned nations, presented a last-minute compromise draft in an attempt to reach a consensus on a closing document.

The proposed measures would only have formed the basis for further negotiation at the next Helsinki review conference beginning in Vienna in November.

However, the leader of the U.S. delegation, Michael Novak, said that it was better to have nothing at all than a document lacking any significant measures.

Measures proposed by the compromise document included easing administrative procedures for family reunification and visits, eliminating mail and telephone interference, and greater contacts between religious communities.

Gorbachev Makes Arms Offer to U.K.

Reuters

MOSCOW — Mikhail S. Gorbachev told a group of British politicians on Monday that the Soviet Union would reduce its nuclear potential if Britain scrapped all its nuclear weapons, the press agency Tass said.

Tass said Mr. Gorbachev presented the offer to Lord Whitelaw, the leader of the House of Lords, and 14 other members of a parliamentary delegation.

"If Britain officially decides to scrap its nuclear weapons, the Soviet Union will be prepared to reduce its nuclear potential accordingly," Tass quoted Mr. Gorbachev as saying.

Denis Healey, the foreign affairs spokesman for the opposition Labor Party, said the offer went further than a proposal by the late President Konstantin U. Chernenko in 1984 that was confined to medium-range weapons.

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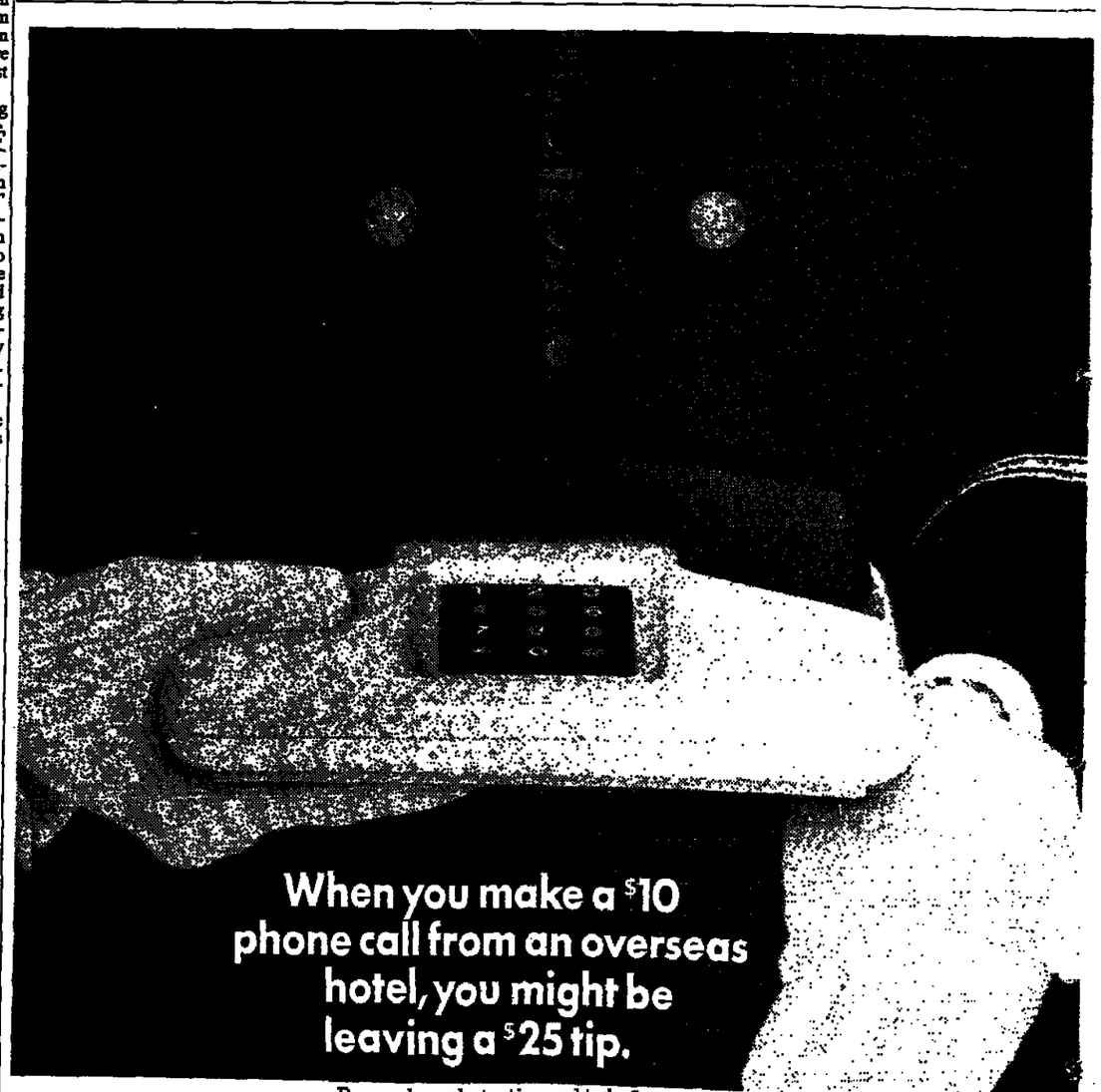

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Helping Hands Stretch Across America

By Richard Harrington
Washington Post Service

WASHINGTON — Millions of citizens have joined to hold Hands Across America, offering a symbolic helping hand and hoping to raise $50 million for an assault on hunger and homelessness in America.

At 3 P.M. Eastern Daylight Time on Sunday, hands linked and voices were raised to "We Are the World" and "Hands Across America," pop anthems aimed at hunger and homelessness. The 15-minute event ended with the singing of "America the Beautiful."

From New York's Battery Park to the Queen Mary's dock in Long Beach, California, the chain stretched — with some major gaps allowed for safety and others due to a lack of hands — along a route of 4,125 miles (6,600 kilometers) that wound through 16 states and the District of Columbia; through 550 cities and towns, across mountains, rivers, deserts and heartland.

More than 5.5 million people were needed to form the chain, and in heavily populated urban areas, the crowds were thick and good-natured, if not always well-organized.

There was no way to tell how many people participated in the event, but the Associated Press put the number at 4.924 million based on its count from local organizers.

At the White House, President Ronald Reagan turned to a sheet with the theme song's lyrics as he and Nancy Reagan held the hands of children.

In New Jersey, 80,000 people more than necessary completed the state's 88-mile chain, and New York City's line was nine deep in some places. Along the upper level of the George Washington Bridge, connecting New York and New Jersey, the line was four deep. Motorists slowed to wave at the participants, while truck drivers leaned on their air horns.

The California desert produced a few five-mile gaps. On some segments of the line, ropes, ribbons, hot air balloons, banners with the handprints of hospitalized children and animals stood in for people.

The beginning and end of the chain were closer to mass rallies than lines, reflecting the confusion in the last few days, when USA for Africa, the sponsoring organization for Hands Across America, encouraged people to show up even if they had not registered and paid the $10 to $35 contribution collected from participants.

"This is just the beginning," the chief organizer, Ken Kragen, said in New York. "When today is over, roll up your sleeves and go out to work in your community. We have to move from the big event to the person on the street."

First in line under the gaze of the statue of Liberty at Battery Park was Amy Sherwood, 6, a homeless child whose mother is an unemployed nursing home aide. The official line-enders were Bill Jones, 34, his wife Mary, 25, and their five children, residents of a family shelter for the homeless in Long Beach, California, and Ginger Ruiz, who lives with her ill husband in another Long Beach shelter.

"I think it's just incredible, and I hope this feeling carries on," Bill Jones said. "There is a real need. There are many families worse off than us. It's hard and it's tough."

In between were hundreds of celebrities, including former President Gerald R. Ford; Yoko Ono and Frank Sinatra, the singers; Steven Spielberg, the movie director; and the actresses Whoopi Goldberg and Cicely Tyson.

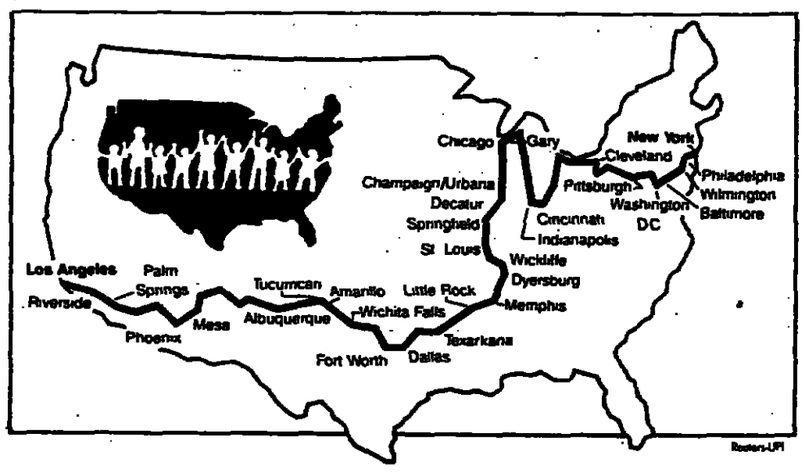
Weddings took place along the line in Baltimore, New York, Phoenix, Arizona, and Memphis, Tennessee. Elsewhere, family reunions and social meetings were shifted to Hands Across America. Sponsors and corporations accounted for almost 2,000 miles of the chain.

Clear, sunny weather was in order along most of the route, although there was rain in the Midwest and flood watches in north Texas. One person suffered a broken ankle when hit by a car in Arizona. Temperatures in that state soared to 35.5 degrees centigrade (96 Fahrenheit) and refrigerated trucks were stationed along the line to aid sunstroke victims.

The event was expected to raise more than $50 million, but it will be some time before a final tally is available. "It may take as long as most of the summer," said Marty Rogol, executive director of USA for Africa.

Reuters-UPI

President Ronald Reagan, his wife Nancy, left, and the president's daughter, Maureen, joined with a group of children at the White House to take part in Hands Across America.



Reuters-UPI

Poll Shows Bush, Hart Well Ahead Of Rivals

Washington Post Service

WASHINGTON — Vice President George Bush holds a huge lead over his nearest likely adversary for the Republican 1988 presidential nomination and Senator Gary Hart of Colorado is substantially ahead of other Democrats, according to a Washington Post-ABC News opinion poll.

This early measure, taken in polling May 15-19, also shows Mr. Bush and Mr. Hart running neck-and-neck in a trial heat, with the Democrat ahead by 47 percent to 46 percent among all people interviewed and by 49 percent to 45 percent among registered voters. Mr. Bush holds large leads over other possible Democratic opponents.

Asked to select their favorite nominee from a list of seven names, 58 percent of the potential Republican primary voters interviewed chose Mr. Bush.

Behind were Howard H. Baker Jr. of Tennessee, former Senate majority leader, with 14 percent; Senator Bob Dole of Kansas, the majority leader, at 12 percent; Marion G. Robertson, the television evangelist, 6 percent; Jeane J. Kirkpatrick, former U.S. ambassador to the United Nations, 5 percent, and Representative Jack Kemp of New York, 4 percent.

On the Democratic side, 33 percent of the Democrats and independents leaning Democratic selected Mr. Hart. Second, at 19 percent, was the Chrysler Corp. chairman, Lee A. Iacocca, who has said he will not run. Third was the Reverend Jesse L. Jackson, at 18 percent, slightly ahead of Governor Mario M. Cuomo of New York, at 16 percent.

Tax-Reform Bill in U.S. Is Expected to Be Revised

By David E. Rosenbaum
New York Times Service

WASHINGTON — Leading members of the Senate and House agree that the Senate Finance Committee's tax revision bill will be changed substantially before it can become law.

When senators and representatives sit down in conference to reconcile the Senate version of tax legislation with the one produced by the House, the lawmakers say, the conferees from the House will have at least as much say in shaping the final product as those from the Senate.

This means that some of the most striking aspects of the Finance Committee's bill — such as its 27 percent top tax rate, its repeal of most deductions for Individual Retirement Accounts and its assault on real estate tax shelters — are by no means certain to become law.

"There is some strength in the House bill," said Senator Bob Dole of Kansas, the majority leader, "and ours is not totally meritorious."

Senator Bob Packwood, Republican of Oregon and chairman of the Finance Committee, agrees with that assessment. The day after his committee approved its bill, he said: "The House bill has lots of good reform in it. If we can marry the best parts of both bills, we will produce a better bill."

Leading members of the House insist that they will not take the Senate bill without change. "The House is going to be a definite partner in this tax bill," said Representative J.J. Pickle, Democrat of Texas, who will be a House conferee.

The Reagan administration hopes to defend as much of the Senate version as possible, but a top official said the task would not be easy. "The conference could turn out to be very difficult," he said.

In interviews last week, leading representatives would not say which specific elements of the Finance Committee's package they hoped to alter. In general, however, the representatives said they wanted a bill that would be more generous to lower- and middle-income individuals and less favorable to businesses than the bill that seems likely to emerge from the Senate.

The bill passed by the House last December and the one approved by the Finance Committee three weeks ago, which is scheduled to go before the full Senate next week, follow the same basic principles: They would lower the tax rates applied to individuals and corporations and would raise the same amount of money as the existing tax law over five years by curtailing tax preferences.

Few people doubt that a bill adhering to those basic precepts will be enacted before the end of the year.

But the two versions differ in many respects. The House bill would increase corporate taxes by $140 billion over five years and reduce the taxes paid by individuals by the same amount. The shift in the Finance Committee bill would be significantly less, only about $100 billion. That means that the average taxpayer, at every income level, would enjoy a larger tax cut under the House measure.

Furthermore, the House bill would repeal or limit many tax breaks for specific industries, including those for oil, gas, timber and mining operations, military contractors, financial institutions and multinational corporations. The Finance Committee would leave most of those tax preferences intact and would provide more favorable depreciation write-offs for business investments than the current tax law.

On the other hand, the Senate committee would abolish or restrict many deductions taken by individuals — Individual Retirement Accounts, state sales taxes, consumer interest payments, union dues and medical expenses, for instance. The House would, for the most part, retain those deductions.

One element of the Finance Committee tax bill that House members dislike is that it would eliminate tax shelters retroactively. "Generally, we have been reluctant to impose retroactive provisions in the tax code," said Representative Ed Jenkins of Georgia, an influential Democrat. "It seems unfair to people who have done something in good faith to change the law on them."

Every aspect of the final agreement must be approved by a majority of the House conferees and a majority of the Senate conferees voting separately. Once a conference agreement is reached, it goes to the Senate and the House for up or down votes — no amendments allowed. If it is approved by both chambers, the measure will go to President Ronald Reagan for his signature.

Soviet, China Sign Cooperation Pact

Reuters

MOSCOW — The Soviet Union and China signed an accord Monday for expanded cooperation in science, culture, health, sports and other areas, the official press agency Tass said.

Precise details of the accord, covering this year and 1987, were not given. Tass said it was signed by a deputy foreign minister, Mikhail S. Kapitsa, and the Chinese ambassador to the Soviet Union, Li Zewang.

Other areas covered by the accord included education, art, publishing, the film industry and broadcasting, Tass said. Relations between Moscow and Beijing have improved in nonpolitical areas in recent years, but the two Communist powers remain divided on major foreign policy issues.

Dominican Election Won By Balaguer

Compiled by Our Staff From Dispatches

SANTO DOMINGO, Dominican Republic — Former President Joaquin Balaguer has been narrowly elected president of the Dominican Republic, according to official returns released Monday, 10 days after the election.

With only about 15,000 of the slightly more than 2 million votes still to be counted, the 78-year-old Balaguer was ahead of the ruling Dominican Revolutionary Party candidate, Jacobo Majluta Azar, by 43,226 votes, the Central Elections Board reported.

The board did not formally declare a winner. Mr. Balaguer, candidate of the center-right Social Christian Reform Party, did not claim victory and Mr. Majluta, 51, did not concede because of uncertainties over whether the votes would have to be recounted.

Mr. Majluta had held up the vote count for almost a week by alleging fraud, causing two elections board members to resign. On Thursday, the two candidates agreed that the votes would be recounted after the initial tally was completed.

It was not certain Monday if Mr. Majluta would demand a full recount or only a review in districts where he claims irregularities may have occurred. He has five days to challenge the results.

According to the elections board, Mr. Balaguer won 857,942 votes, or about 41 percent. Mr. Majluta got 814,716 votes, or about 39 percent. Juan Bosch, 76, also a former president and leader of the leftist Dominican Liberation Party, won 379,269 votes, or about 18 percent. Three minor-party candidates split the remaining votes.

The result, which had been expected, will not mean any change in the pro-American stance of this Caribbean country, analysts said.

In the 1978 elections, when Mr. Balaguer lost the presidency after 12 years in power, the armed forces tried to keep him in office by intervening in the vote count. U.S. pressure helped end the intervention, and Mr. Balaguer conceded defeat.

The Dominican Revolutionary Party has held power since then. But its popularity has been eroded by unpopular austerity measures to comply with conditions set by the International Monetary Fund in return for a loan program, and charges of widespread corruption.

Mr. Balaguer is blind from glaucoma, and his opponents have insisted on raising the question of how effective a blind man can be as president. But he has dismissed the issue, "I am not going to be asked to thread needles when in office," he said. *(AP, LAT)*

Firepower: U.S. Police Using Semi-Automatics

By Nicholas D. Kristof
New York Times Service

LOS ANGELES — Alarmed that they are losing an arms race with criminals, more police departments around the United States are equipping officers with semi-automatic pistols.

The Los Angeles Police Department is the latest and the largest city police department in the country to let officers carry semi-automatics. The weapon can empty a clip of more than a dozen bullets in seconds.

The officers may buy semi-automatics if they wish, instead of the traditional .38-caliber revolver with six bullets, and a decision on whether semi-automatics should be the standard weapon will be made in two years.

Police officials say the semi-automatic pistols are necessary to combat criminals and terrorists who carry increasingly powerful and sophisticated arms, sometimes even fully automatic machine guns. A semi-automatic pistol fires a new bullet each time the trigger is pressed, in the same manner as many revolvers, but it is faster and holds more bullets than a revolver.

The growing popularity of semi-automatics may mark the beginning of the eclipse of the six-shooter revolver, which won the West and for the past century has been the weapon of choice of law enforcement officers across the country.

The biggest U.S. police department, in New York City, still uses .38-caliber revolvers, as do the next biggest police departments, in Chicago and Philadelphia. Officers there are sometimes authorized to carry semi-automatic pistols on special assignments, such as undercover operations.

Smith & Wesson, a unit of Bangor Punta Corp. and a leading pistol maker, says it has supplied semi-automatics to about 200 law enforcement agencies around the country, up from 60 a few years ago. In all, a few hundred agencies now use semi-automatics of one brand or another, out of a total of 7,000 law enforcement agencies in the country, according to Robert Hass, Smith & Wesson's vice president for marketing.

A telephone check of a number of police departments that allow use of semi-automatic pistols suggests that most departments are using them as the standard issue weapon, rather than just for special situations.

Some groups object to the change in weaponry. "We have observed a rash of shootings in many major cities," said Michael Zinzun, chairman of the Coalition Against Police Abuse, a Los Angeles organization. "By giving police more firepower, we're giving them the go-ahead. Instead of finding ourselves shot six times, we may find ourselves in a hail of 14 or 15 bullets."

But the criticism appears to be neither very intense nor long-lasting.

John J. Bullaro, the police chief in West Chicago, Illinois, a town of 13,000 that was among the first to trade in revolvers for semi-automatics as the standard-issue weapon for police officers, said there had been no controversy since the town's decision a decade ago.

"It's not like the criticism we had when squad cars got air conditioning," he said.

Prison Load Eased By West Virginia

The Associated Press

CHARLESTON, West Virginia — Governor Arch Moore of West Virginia, citing the growing number of inmates being held at state prisons, ordered Monday the Department of Corrections to turn away all new prisoners.

The governor said the increasing number of inmates makes it difficult for the state to follow court orders to improve prison conditions. State judges have ruled that conditions at some prisons are unconstitutional and ordered cuts in prison populations.

The order did not make provisions for where convicted criminals will be placed, but a spokesman for the governor said prisoners would have to be held at county jails.

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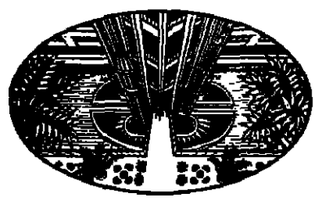

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Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

A Legacy in Zimbabwe

When Zimbabwe was Rhodesia, a minority white regime waged a brutal bush war against black rebels, killing, torturing and imprisoning their leaders without charges. After six years of black majority rule under Prime Minister Robert Mugabe, most of the country is at peace and whites who fled to South Africa are trickling back. But the bush war goes on, against a black minority in Matabeleland. Mr. Mugabe flatters his white predecessors by using their methods and laws against his political opponents.

Brutality has been amply documented by the Lawyers Committee for Human Rights, after field reports and extensive interviews. The American-based group charges that thousands have been summarily executed in army sweeps through the southwestern province where the Ndebele people live. It finds "grave and persistent abuses" in a campaign against the opposition ZAPU party. It says a hundred ZAPU supporters were abducted at gunpoint and have vanished. Twice that number, including five members of Parliament, were detained incommunicado, and many were tortured.

On these and other charges, the Mugabe government haughtily refuses comment, except to contend that "dissidents" or "bandits" in Matabeleland are armed by South Africa. That has yet to be independently confirmed. In any case, Pretoria is not to blame for Mr. Mugabe's poisonous feud with Joshua Nkomo, the ZAPU leader and former commander of a rival guerrilla army. In a sinister turn last year, Mr. Mugabe named as home affairs minister a ZAPU defector, Enos Nkala, who then vowed to crush Mr. Nkomo. Within a week the security police raided Mr. Nkomo's home and arrested his aides.

The judiciary remains relatively independent, but the police can arrest without showing cause, under emergency laws preserved from the days of the white regime of Ian Smith. By keeping these laws, the lawyers' committee reports, Mr. Mugabe has eroded the professionalism of the police.

Without excusing these policies, the report rejects the South African claim that Zimbabwe illustrates the horrors of black majority rule. It blames a protracted civil war for hardening the ethnic divisions in Rhodesia and dividing nationalist factions and tribes into rival guerrilla armies.

That six-year war, the lawyers' committee says, brutalized all participants. The balance of power has shifted, but the brutalities persist. If Mr. Mugabe's majority party succeeds in its new attempt at reconciliation with Mr. Nkomo's minority party, all Zimbabwe would benefit. So would the cause of human rights elsewhere in Africa.

— THE NEW YORK TIMES.

Not the Way to Trade

The Democrats' protectionist trade bill has passed the House with overwhelming support — a circumstance owing much to the assumption that it was, as congressmen say, a free vote. Since President Reagan has promised to veto it, everyone could happily vote for it last Thursday with the assurance that it would not become law. The authors of the bill argue that the enormous majority — 295 votes to 115 — will enable them to override a veto. But before it comes to that, many things will have happened. The bill now goes to the Senate, where the enthusiasm for starting a trade war with Europe and Japan is more restrained.

A myth of great durability sustains all trade bills in Congress. The myth holds that America alone plays by the rules, while all the other countries take advantage of America's good nature and cheat. They do terrible things, according to the indictment, such as harassing American exports, stealing American technology and dumping. Some of those accusations are, unfortunately, true. But it turns out that foreigners have some complaints of their own.

Take dumping as an example — the practice of selling abroad at less than cost, to get rid of a surplus or perhaps to take over a market. In the world's trade tribunals, more dumping cases are filed against the United States than against any other country. The United States is the world's biggest exporter. Sometimes dumping is inadvertent. Sometimes it happens because the rules count costs differently from the way businessmen do. The number of dumping cases does not mean that U.S. exporters are immoral, but it does mean that the balance of equities in world trade is not quite so clear as congressional speeches might indicate.

The basic fault with the Democrats' trade bill is that most of it reflects only the grievances of the industries that are having trouble with foreign competition. There is no consideration of the possibility that other countries would immediately retaliate.

One example, among many: The bill contains a natural resources provision penalizing any imports that use resources sold at less than market value. That is aimed at Mexico. Making cement and fertilizer requires a lot of natural gas. U.S. companies have been complaining bitterly that Mexican competition is unfair because the government-controlled price of gas there is less than the government-controlled price of gas in the United States. But if Congress passes the natural resources provision, a long list of U.S. industries will immediately be vulnerable to counterattack. How about the farmers who depend on grossly underpriced irrigation water? How about all those manufacturers in the Pacific Northwest, with their access to cheap electric power?

House Speaker Tip O'Neill denounces the Reagan administration for insufficient concern for working people in the industries hurt by imports. But this bill will cost more jobs among the competitive export industries than it can save by protection. It is true that, until this year, the high exchange rate of the dollar did great damage to many American producers. But now the dollar has fallen, and by the end of the year American exports will be rising again. This is hardly the time to try to choke off trade.

— THE WASHINGTON POST.

Life After Sacrifice

Living American veterans have their holiday in mid-November but were marching on Monday with high school bands in tribute to servicemen and women who didn't come back. Originally, Memorial Day commemorated the dead of the Civil War — which still ranks as America's most traumatic because at no other time in the past century and a half have American civilians experienced war at first hand — and it comes at the ripest moment of spring when all the birds have returned, from the earliest killdeer to the tardiest bobolink, and when the vegetable kingdom is in frantic adolescence. Spring, which began as a circle of thawing bare ground around the base of maple trees, is now heavy with lilac scent and manic with red-eyed vireos, birds crying out 20,000 times in a day.

Because Americans have forgotten the experience of civilian suffering in the 1860s, they tend to forget that young men, and women, go to war for a jumble of reasons, personal and public, and may die in snafus instead of as heroes charging uphill. War is said to bring the best from a good person and the worst from a bad one, but because of the chasm that divides a soldier's life on the battlefield from all of the ways he lived back home, every one of the dead winds up being something of an unknown soldier, even if dearly loved at each end of his life.

This is the most religious of secular holidays, when clergy preach unabashedly and mayors speak without smiling and old soldiers turn out in Eisenhower jackets and out-of-date hats. In many small towns, Main Street and graveyard ripple with flags; a rifle squad in white puttees and gloves fires a salute; a bugler sounds taps; a wreath is cast from the highway bridge into a stream where trout nibble at it.

Sometimes the definition of battle dead is tacitly broadened to encompass all veterans who have died since — just as the blowing of taps touches us partly because we leap on its notes into grieving for other folk we have loved who have died all too soon. But everybody at these ceremonies recognizes that a great many war dead did not die witlessly or by accident, that they deliberately risked and surrendered their lives so that America could remain what it is at its best.

— THE WASHINGTON POST.

Other Comment

Colombia: The System Wins

The victory of Virgilio Barco Vargas, candidate of the Liberal Party, in the Colombian presidential election on Sunday comes as no surprise. Outgoing President Belisario Betancur of the Conservative Party — a humanist keen to ruffle a rigid two-party system that is increasingly criticized by Colombians eager for change and modernization — had shown during his term of office that in reality he was more "liberal" than many of the bosses of his party.

Mr. Betancur, at the end of his term, can claim a semi-victory in his brave attempt to end armed violence. He has been and remains a maverick in his own party. His determined fight against drug traffickers and his independent foreign policy positions have given him considerable popularity and an international prestige that few of his predecessors earned.

Mr. Barco, whose principal claim to fame has been to be a good mayor of Bogota, belongs to the Liberal machine. He affects a low profile and is regarded as a technocrat and administrator. His declared aim "to unite all Colombians for draconian change" deserves respect, but his victory suggests mainly a consolidation of the two-party system and the triumph of party bosses over those, Liberal or Conservative, who want modernization of Colombia's institutions and an "opening up" — the only way, in their view, to put an end to the violence.

— Le Monde (Paris).

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OPINION

The Syrians Are Playing a Dangerous Game

By Ze'ev Schiff

TEL AVIV — There has been much talk in recent weeks about the possibility of war between Israel and Syria. As an Israeli citizen and longtime observer of the military situation in the Middle East, I have no doubt that Israel would go to war immediately if that were necessary — in response to a major terrorist attack or other provocation — but I do not believe that it would initiate a confrontation or that it is planning a war.

There are certainly reasons for concern — above all that Syria is moving with steady deliberation toward strategic parity with Israel. The Syrian military has been greatly strengthened in the last few years, with help from Moscow, and the regional balance of power has shifted somewhat in Syria's favor since the war in Lebanon in 1982. Many Israeli strategists now argue that Israel made a serious mistake in Lebanon — that it should have attacked the Syrians then, nipping their new power in the bud, rather than concentrating efforts against the Palestine Liberation Organization in Beirut.

In truth, however, the Lebanon war may have taught Israel something about the possibility of coexisting with Syria. Israel's strategic approach to Lebanon has changed considerably in the four years since.

The expansionist doctrine that led Israel into that war has been discredited, and involvement in Lebanon's internal strife has largely been abandoned. It is recognized that Syria has legitimate interests in Lebanon and there is no intention of interfering with them provided that Israel's security interests along its northern border are not jeopardized.

There have been renewed provocations recently, particularly on the terrorist front, and another incident like the attempt last month to plant a time bomb aboard an El Al Israel Airlines jet in London — particularly if it were successful and it were proved that Syrians were involved — could lead to full-scale war.

So far, Israel has coped with Arab terrorism at relatively low cost to itself. Terrorism has been a nuisance but has hardly threatened Israel's existence. The London incident was different, however — as if Syria wanted to change the nature of the game.

What made it different? Two things. The attempt to blow up the El Al plane was, for one thing, the first Arab terrorist incident clearly designed to result in mass murder. There is no other way to describe a plot to plunge a full aircraft, and 400 passengers, into the ocean.

But the Syrian involvement also seemed different this time. Normally the Syrians operate through agents: They shut their eyes to terrorist operations by Syrian-based organizations led by Abu Nidal and others, who receive Syrian financial and military aid. This time, for the first time since 1973, it seems that Syrian intelligence was directly involved. Israel was not alone in making this discovery. British intelligence had a hand in it, and three Syrian diplomats were consequently expelled from Britain.

Why would the Syrians get involved in such an operation? Why would they risk the obvious consequences of such a provocation? There can be only two explanations. Someone in Syrian military intelligence may have initiated the operation without the approval of President Hafez al-Assad. Or the preparations may have been carried out with his knowledge — and with a clear understanding that Israel would have no alternative but to strike back. In other words, whoever gave the order to proceed with this act may have been fully aware that it could lead to war.

That, certainly, would explain the preparations for war going on in the Syrian army and among Syrians in general. President Assad is too clever and experienced to expect any Israeli leader, no matter how moderate, not to respond to such an act with a significant military strike. The escalations that led to the 1967 war and the Lebanon war began with lesser provocation. In such a situation, war can become inevitable even if one party would prefer to avoid it.

The Syrian military buildup in the Bekaa Valley — particularly the surface-to-air missiles that have forced Israel to stop reconnaissance flights there — could give rise to a similar situation. I believe it is a defensive deployment — Syria's reaction to its experience in 1982. But why now? And why did it go ahead despite opposition from Washington? Besides, why should the Syrians build their new positions on Lebanese territory, so close to the Israeli border?

Syria has every right to defend itself against a possible Israeli move through the Bekaa Valley, but there is no good reason for Syria to advance its position southward to the Israel border, where Israel has its own legitimate security interests. The two countries' front lines are very close in this area, where — unlike in the Golan Heights — they do not have a security agreement and where terrorist groups such as the Hezbollah operate without restraint.

Virtually no one in Israel wants a war with Syria now, but Israelis cannot answer for the mishaps and runaway escalation that could so easily take place today in the hair-trigger standoff between the two countries.

The writer is defense editor of the Israeli daily Ha'aretz. He contributed this comment to The New York Times.

BY KIRSCHEN in the Jerusalem Post. Cartoonists & Writers Syndicate.

The Time to Tame Runaway Mega-Cities Is Now

By Rafael M. Salas

The writer is executive director of the United Nations Fund for Population Activities.

BARCELONA — By the year 2010, more than half of the world's population will live in urban areas, 20 percent of it crowded into 78 cities of 4 million or more inhabitants. Projected rates of urban growth indicate proportions undreamed of by urban planners.

In 1950 only New York, London and Shanghai had 10 million or more inhabitants. By the year 2000 there will be 20 such "mega-cities," all but four in developing countries. If present trends continue, the largest mega-city, Mexico City, will have a population of 26.3 million — more than the current population of Canada.

World urban population has doubled since 1950 and may double again before the end of the century. How tomorrow's cities develop will largely determine the quality of life for future generations. What urban leaders and planners do today may spell the difference between a pleasant urban environment and catastrophe.

The present generation, with its mastery of technology and rational planning, has the capability to meet its social and economic needs.

In Barcelona, which has had urban planning since the 19th century, fountains splashed in the sunlight outside the Palacio de Congresos as representatives of 50 cities and 30 countries gathered at an International Conference on Population and the Urban Future (May 19 to 22) to discuss the more somber problems they are experiencing with "super-growth."

That phenomenon is rapidly turning some former colonial cities and trading posts into teeming urban giants. The reason is that the urban population of developing countries is growing two to three times faster than national populations through natural increase (the difference in numbers between births and deaths) or through migration from the rural areas.

The poor from depressed rural areas are drawn to what they see as a better, brighter life in the city. Often what they find is more poverty, disease and squalor. Moreover, rural populations in developing countries will continue to grow until the early part of the next century.

The cities of the developed nations grew organically over long periods. Now they are stabilizing, with low growth rates. But the cities of the developing countries are growing at higher rates to sizes never before experienced. Today the concentration of people in great cities puts enormous and ultimately unbearable strains on systems that were developed for much smaller populations, in many cases well over a century ago.

The conference took a hard look at what is happening. The growth of cities can be seen positively as a wellspring of economic opportunity and as a vital source of change. In this sense we are all the inheritors of the urban ideal. However, rapid urban population growth invariably puts pressure on employment, income, housing, education, health and food. Already today's cities are taxing to the limit the ability of national and city administrations to provide welfare services.

Cities are finding that urban masses can be supplied with food at reasonable prices, but only at the expense of the farmers who produce the food. Ignoring the plight of depressed rural areas only causes increased migration to the cities.

In the cities, migrants often find that wages are higher but so is the cost of living. Health care is better but the poorest have worse health problems than the rural dwellers. The poor in the urban populations often suffer more from malnutrition and live in inadequate housing. More urban children get an education, but again the poor are at a disadvantage.

After four days of deliberations, the conference reached a number of conclusions.

Decision making should be decentralized so that local and regional governments can tackle urban problems. Public and private partnerships between corporations, small businesses and local governments should be forged to improve economic conditions. Urban administrations in developing countries should take a direct interest in providing family planning services, where needed. National governments should stimulate the development of small and medium-sized cities in which migrants could find employment. Governments should initiate policies to stimulate the economies of rural areas, allowing people to find productive employment in the countryside.

Each city should set up a task force that would work and plan growth as we approach the year 2000. Population policies, including those which address urban population growth, should be a part of all national social and economic planning. Cities should use universities and research institutions to find ways to lower the costs and increase the efficiency of services. Governments should give special attention to family planning programs where appropriate.

In the final analysis, what the mayors and other delegates of the world's cities concluded was that the present generation, with its mastery of technology and rational planning, has the capability to meet its social and economic needs.

As cities grow in size and number and become the norm for everyday life, it becomes more and more necessary to take steps toward creating the "human city," a rewarding urban environment in which all can find fulfillment. The challenge is for city executives to act, and to act now.

International Herald Tribune.

Reagan and Congress: Too Many Broken Promises

By Flora Lewis

WASHINGTON — There is further deterioration between the Reagan White House and Congress. The coming congressional elections are one reason, particularly on the protectionist trade bill.

It is a lot easier to woo voters by promising to cut imports that cost American jobs than it is to explain how many jobs would be lost in export production as a result of inevitable retaliation by trading partners. President Reagan has given politicians some powerful lessons in the effectiveness of offering simple answers to complex issues regardless of foreseeable implications.

But the November elections are not the only reason for the hard squints directed from the Capitol toward the White House. There has been a history of compromises arranged and reneged, of promises made and broken. Among clear-cut examples are the policy on Nicaragua, missile development plans and arms control. There are others more ambiguous, such as policy on El Salvador and Honduras, which nonetheless erode the patience of politicians who think they made a tolerable bargain and then come to feel cheated.

In the spring of 1983, after Congress had made clear that it would not go for the administration's plan to build 200 new MX missiles with 10 warheads each, the president endorsed the recommendations of the Scowcroft commission.

General Brent Scowcroft headed a group to study future strategic needs. It concluded that the long advertised "window of vulnerability," which the MX was supposedly required to lock shut, did not exist. The real problem, the report said, was that by piling multiple warheads on ever bigger missiles, the United States was reducing the number of targets for Soviet attack and making a pre-emptive strike more tempting for Moscow.

The report urged a new direction: the building of smaller, mobile missiles with a single warhead that would have a better chance of surviving. It also recommended smaller missile submarines, for the same reason of survivability. As a compromise it recommended 100 MX missiles.

Skeptical, but seeking to avoid an impasse, Congress accepted. It has limited MX authorization to 50, plus spares for testing. But the Pentagon dragged and dragged on plans for a one-warhead missile, the Midgetman. Now, three years later, the Midgetman is being reassessed once again. Proposals have been aired to make it bigger and heavier, so much that it would hardly be mobile.

A ban on mobile missiles was slipped into the formal U.S. negotiating offer in Geneva. Nobody expects the Russians to accept, but General Scowcroft is convinced that the United States would have to reject it if they did accept. The Midgetman has evidently been shelved, in favor of the late John Foster Dulles's old recipe of "a bigger bang for a buck," which got the nuclear arms race cranked up in the first place.

The people who went along with the Scowcroft compromise feel betrayed. They are loath to say so in public, but they look closer when any new deals are suggested. The whole principle of reshaping strategic forces so as to correct the dreadful 1960s mistake of multiple warheads seems to have been abandoned, without even an explanation.

On Nicaragua, Congress was chivied into voting $27 million of "humanitarian aid" for the "contra" rebels in return for an administration promise to launch negotiations for a cease-fire with the Sandinist government. The United States has refused negotiations, shifting to the position that the Sandinists must first make agreements with the contras.

Now the White House asks for $100 million for the contras this year. The argument is that "pressure" must be kept on the Sandinists to get them to negotiate. Meanwhile, Washington is leaning on Central American governments not to accept the Contadora group's draft treaty, which would ban outside military help from Cuba, the Russians and their allies for the Sandinists as well as from the United States for the contras.

Opinions differ on Capitol Hill about whether the broken promises reflect continuing fights within the administration or whether there was no intention of keeping the promises in the first place. Either way, there is a sour aftertaste.

The administration often argues that it is risky to make agreements with Communist governments because they cannot be trusted to keep their word. Credibility is a serious matter within Washington as well. Broken promises have a cumulative cost, also inside the U.S. government.

The New York Times.

'Some of you might attain high places in government where you can line up some really big-buck deals.'

Does Israel Want to Be An Annex?

By William Pfaff

PARIS — There is danger in the new relationship being forged — with insufficient public discussion on either side — between the United States and Israel. It is a relationship in which the risks to Israel are even larger than those to America.

Today, in both countries, many people have come to think the interests of the two countries virtually identical. The Soviet threat and the Arab threat are taken as parallel.

Americans who once were indifferent to Middle Eastern issues have found themselves swept into the consequences of revolutionary events in Palestine, Iran and Lebanon. They find Israel's support and sympathy welcome, at a time when other allies criticize U.S. policies and when much of the non-Western world is hostile to America and its view of things.

The overwhelming opposition in the U.S. Congress to arms sales to Saudi Arabia clearly reflects popular resentments suppressed since the 1973 oil boycott and price rise.

One result is a developing association between the United States and Israel which goes much beyond any other present U.S. alliance.

Congress two years ago legislated a free trade zone for Israel and the United States which will ultimately make them into a single industrial and marketing entity. Together with Israel's increasing reliance on the dollar as its unit of exchange, its dependence on U.S. subsidies (at present $1,200 annually for each Israeli) and the influence of unofficial as well as official Americans on its economic policy, this means that Israel is well on the way to becoming an appendage of the American economy.

Many Israelis think this will make Israel a high-technology society, stimulated by U.S. investment. Former Ambassador Dean Brown, head of the Middle East Institute in Washington, thinks it could make Israel a low-technology supplier of low-wage goods to the American market — a kind of Middle Eastern Puerto Rico.

Enthusiasts for the new relationship say that its ultimate aim is a "full-fledged diplomatic and military alliance," as the head of the American-Israel Public Affairs Committee has put it. In fact, an even closer relationship is implied.

There is serious reason to question whether such an association is a sound goal for either side. No two countries have identical economic interests. They cannot have identical security interests. No two countries, at such a distance from one another and with such social and religious disparities, are likely to be able to maintain so close a relationship when they confront — as they will — tests not anticipated by today's planners.

The risks to the two countries are not the same. Their rosters of enemies may overlap but are not identical, nor do they assign to them the same priorities. Israel's hostility to the Soviet Union derives from Soviet support for the Arab cause. America's present hostility to the Arabs originates in the perception of them as allied to an expansion of Soviet influence. These do not add up to the same thing.

Israel is a regional power, a Mediterranean state; the United States is a Pacific as well as an Atlantic power. Israel is a religious state, in which the cultural origins of the majority even of the Jewish population will soon be Oriental rather than European. Its Arab population, including the people of the territories occupied after the 1967 war, will at a foreseeable point in the relatively near future become the majority, a development which will call into question the identity of Israel either as a Jewish state or as a democratic state.

One must expect eventual resentment in Israel that the great Zionist social experiment, and the in-gathering of the diaspora, should end with Israel becoming an appendage of a capitalist, hedonist, deeply secular and materialistic American society. There will certainly be resentment if Israelis come to perceive themselves as providing military enforcement for specifically American policies.

Americans have less reason for apprehension. The evidence of history is that the foreign policies and enthusiasms of large democracies change without much respect for what has gone before. A major power can afford inconstancy. It can go lightly into a relationship because it can terminate it with equal casualness.

Israel enjoys no equivalent advantage. It needs American friendship, but not a link whose intensity and intimacy are themselves provocations to an eventual repudiation. The United States can afford not to be serious. Israel, one thinks, cannot.

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IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Policing the Sky

LONDON — Details of Winston Churchill's bill for protecting the public against danger from aeroplanes were made public [on May 26]. Navigating an aircraft recklessly or to the danger of the public is to be made an offence punishable on indictment by a fine not exceeding £500 or imprisonment for a term not exceeding two years or both, or, if tried summarily, to imprisonment for a term not exceeding three months or a fine not exceeding £100 or both. The bill gives power to the Secretary of State to prohibit navigation of aircraft over such areas as may be prescribed for protecting the public from danger. The "Morning Leader" says: "The danger of allowing flight in its present stage of development over the heads of crowds should be seriously faced by civilized Governments."

1936: Rubles for Babies

MOSCOW — The Soviet government in a "more babies" drive announced [on May 26] that it had worked out a new decree granting a yearly subsidy of 2,000 rubles for the eighth, ninth and tenth babies born to Russian women. The subsidy will be paid for five years. For the eleventh and each additional child, a subsidy of 5,000 rubles in the first year, and 3,000 rubles for the next four years, will be paid. The decree also forbids abortion which, it said, was made legal as a temporary measure during the post-war years but now is unjustified under the present economic conditions. Abortion will only be permissible to save a mother's life. Only hospitals will be permitted to perform them. The penalty for violation of the new abortion law will be one to two years' imprisonment.

OPINION

Voting to Fill a Senate Seat Means More Than It Seems

By David S. Broder

WASHINGTON — Pete Domenici of New Mexico and Richard Lugar of Indiana will not be on the Senate ballot this year. Bob Dole of Kansas will, but he has no opposition in his race for re-election. These three Republicans — respectively the chairmen of the Senate Budget and Foreign Relations committees and the Senate Majority Leader — constitute three of the best reasons for voting Republican in the states with Senate contests this November.

As a practical matter, they will sway few if any votes. Campaign consultants with whom I have talked are just about unanimous in saying that while party control of the Senate may matter a great deal to many contributors, to all politicians and political junkies and, obviously, to the president, the majority of voters could not care less.

The exceptional quality of these Republicans' performance ought to weigh in the calculus.

The last thing on the mind of someone in Coeur d'Alene, Idaho, is whether Senator Lugar is a better chairman of Foreign Relations than the man who would replace him if the Democrats regained the Senate majority. Senator Claiborne Pell of Rhode Island. That Idaho voter will decide between Senator Steve Symms, a Republican, and his challenger, Governor John Evans, a Democrat, on their merits or demerits.

Down in Georgia, some Democratic politicians are saying they think they can get people to vote against Senator Mack Mattingly, a Republican, by arguing that his defeat would help make the state's popular Democratic senator, Sam Nunn, chairman of the Armed Services Committee. I am skeptical of that tactic.

In reality, American politics is so personalized and devoid of party loyalty that few voters realize they are making a double choice when they vote for a House or Senate member. They are picking their own spokesman in Washington and they are simultaneously helping decide which party will organize Congress and control its committees.

Having spent some time with Senators Dole, Domenici and Lugar, I can't help but wonder if most of us don't dismiss this question of party control too casually. These three men, responsible for the overall performance of the Senate and for its budget and foreign policy panels, are of such exceptional quality that their performance ought to weigh somewhere in the calculus of voters this November.

Mr. Lugar is intellectually impressive, politically courageous, doggedly determined, yet understanding of others' views. The same qualities would be ascribed to Mr. Dole and Mr. Domenici by the majority of their colleagues in both parties. What is striking about all three is their large-mindedness, their ability to see beyond their personal ambitions and the parochial interests of their states. They approach questions as United States senators.

Mr. Lugar has demonstrated those qualities recently in persuading the Reagan administration to shift its policy in the Philippines away from Ferdinand Marcos and toward Corazon Aquino, and in urging the Senate to reconsider its opposition to arms sales to Saudi Arabia. He stuck to his principles in both fights, despite the political risks. In both cases, his tactics were effective and it is likely that his judgment will prevail.

Mr. Domenici has shown the same tactical skill, sound judgment and political courage repeatedly during the last five years on tough issues of budget policy, opposing the dogmatists in the administration and in both parties on Capitol Hill. Mr. Dole has stuck his neck out so often on issues ranging from civil rights to taxes that his courage has become almost a commonplace.

This is not a plea to voters to shut their eyes and vote Republican in the November Senate contests no matter what they think of the rival candidates. That would be absurd, and campaigning for anyone is not my line of work.

But a reporter can point out that when the Republicans took control of the Senate in 1981, they had had no experience in running that body and its committees for 26 years. Some in Washington predicted a shambles. It has been instead a performance of considerable distinction, orchestrated for four years by retired majority leader Howard Baker of Tennessee. In the last 16 months under Mr. Dole, it has got even better, for he has a useful knack for pulling legislative rabbits out of his hat.

None of this may be relevant to the campaigns this fall. But it is not insignificant for the well-being of the United States or for the judgment that history will make on this era.

The Washington Post.

"Those Russians are SUCH slobs!"

LETTERS TO THE EDITOR

A Matter of Arms Control

The next time President Reagan calls on the nations of the world to help him reduce terrorism, he might ask them to explain the virtues of gun control to him.

LILA SNOW.
Bologna, Italy.

Quite simply, bias exists against the National Rifle Association because the NRA's position is stupid. The United States has a murder rate roughly 10 times that of civilized countries, and there is not a shred of doubt but that this situation arises in large part due to the easy availability of guns.

W.F. SMYTH.
Bentley, Australia.

Arab History Repeated?

In response to the report "Anti-Arab Feeling Surfaces in Congress" (May 10):

It seems that the terms "terrorism" and "Arabs" are being increasingly and willfully equated, and that this is affecting Western attitudes toward the Arab nations. These stereotypes are reminiscent of the 16th and 17th centuries.

But perhaps this unhealthy environment will lead to better days. Arabs can draw examples from their historical experience at the dawn of Islam. Perhaps further humiliation, denigration and impoverishment would lead to a rebirth of genuine faith, a restructuring of Arab societies and ultimately a reassessment of Arabs' relationship with the West.

The Arabs are being treated as the scum of the Earth. So were the Prophet Mohammed and his companions in pre-Islamic Arabia. It enabled them to become a great civilization.

FADI K. AGHA.
London.

Chernobyl: A False Parallel

Regarding "Unpublicized Radiation on the Marshalls" (May 14) by Walter Pincus:

The presumed argument is that U.S. reluctance to come clean with the consequences of a hydrogen bomb explosion in 1954 in the Marshall Islands shows that America is no better than the Soviet Union when it comes to openness on matters of importance to neighbors.

The 1954 explosion was the work of the military, not a civilian power plant; secrecy in military matters would appear to make sense even in a free society. Second, the Soviets hardly ever talk about their military affairs and there are examples of information suppression by them that far surpass anything the U.S. government is guilty of. The suggestion of moral equality simply won't wash.

TIBOR R. MACHAN.
Lugano, Switzerland.

A Novel Hangout in Rome

Regarding Mary Davis Suro's article "A Stink Over McDonald's" *(May 10)*, the ills of Rome did not start with McDonald's. The restaurant is no more questionable than lots of other things that have been around for a long time. It is popular, especially with the young. There are few other places where they can meet and sit and enjoy themselves in the evening, especially in bad weather, in a wholesome atmosphere without spending a lot of money. It also gives an impressive number of young people gainful employment. The overwhelming majority of patrons are Romans.

ROBERT A. HAGAN.
Rome.

Blindness Has No Borders; We Were Welcome All Over

By Oliver Foot

NEW YORK — Human beings live with the remarkable paradox that, at the same time and in the same place, conflict and destruction can coexist with harmony and constructive achievement. Where war is threatened and waged and negotiations crumble, peaceful but less publicized cooperation continues.

Two days after the American attack on Libya, our specialized crew of doctors, nurses, technicians, engineers and pilots boarded Project ORBIS's DC-8

MEANWHILE

jet (donated by United Airlines) at Alexandria in Egypt. We had completed a three-week program there, restoring sight to Egyptian blind people and sharing surgical skills and information with Egyptian eye doctors.

Preoccupied for the past two days with the U.S. raids on Tripoli and Benghazi and the threat of an uprising by an Islamic faction in Egypt, I admit to being slightly apprehensive as we flew to Malta, watching the Libyan coast in the distance. Two hours later we arrived in Malta, where three weeks earlier we had carried out a program with Maltese eye doctors. This time Malta was a first refueling stop — the Azores and Puerto Rico followed — en route to our next program in Kingston, Jamaica.

From Jan. 25 to April 19, Project ORBIS had conducted three-week programs in Iraq, Jordan, Malta and Egypt. Working in a region noted in the West for conflict, terrorism and fear, we met only cooperation and friendship.

While we were in Baghdad working alongside Iraqi doctors, Iran launched a major offensive against Iraq. Near the end of our stay in Jordan, where we worked with Palestinian and Jordanian doctors, rioting by police conscripts in Egypt forced us to switch Egypt and Malta on our schedule. Before our departure from Malta, the U.S.-Libyan conflict escalated and we watched the American fleet heading toward Libya as we flew to Egypt. After arriving in Egypt, a bomb on a TWA jet to Cairo killed four passengers. We had two days left in Egypt when Tripoli was bombed.

Back home, relatives and friends were worried about our safety. We were advised to leave Egypt immediately, but we resolved to complete the program.

This is not to say that we were never concerned for our safety. Terrorism has become an international preoccupation and ORBIS was highly visible. Furthermore, we were in countries where we witnessed daily the impact of conflict and war on the lives of ordinary people. Every armed guard, every security checkpoint, the wounded soldiers we operated on in Iraq — all were constant reminders of tension and violence.

En route to Kingston, I reflected on how our group had been accepted in every country, cutting across every boundary and barrier. This was because we did not lose sight of our common objective: to combat world blindness. This is the core of the ORBIS philosophy: to share our plane, our people and our skills with the communities we visit. This always leads to peaceful cooperation. Blindness knows no boundaries.

It is easy for ordinary Americans and other Westerners to become negative and pessimistic toward the Middle East, especially given the turmoil which dominates the region and the widespread misconceptions regarding the Arab world. Our visit there showed us a warm and friendly people who, given the choice, would opt for peaceful resolution and the right to pursue their daily lives untroubled by violence.

In the three-month program, about 200 people had their sight restored on board the ORBIS aircraft. More important, some 350 Iraqi, Jordanian, Maltese, Palestinian and Egyptian doctors shared skills and knowledge with ORBIS volunteer doctors from the United States, Canada, England, France, Iran, Lebanon and Jamaica, of Christian, Jewish and Moslem backgrounds.

Admittedly, these are small achievements in the face of the huge problems presented by blindness in the world. But the support from political leaders was extraordinary: President Saddam Hussein of Iraq welcomed us, providing extra security and hospitality; King Hussein and Queen Noor of Jordan invited ORBIS to their country for a second time; President Agatha Barbara of Malta visited our plane and pledged her eyes in an effort to stimulate the public's support of eye banking; the Egyptian authorities and people welcomed us at the height of U.S.-Arab tensions.

Similar welcomes have been experienced by Project ORBIS in 40 countries. This experience presents us with a certain hope that international cooperation and communication can succeed.

The writer is executive director of Project ORBIS, an independent, nonprofit organization committed to fighting blindness. He contributed this comment to the International Herald Tribune.

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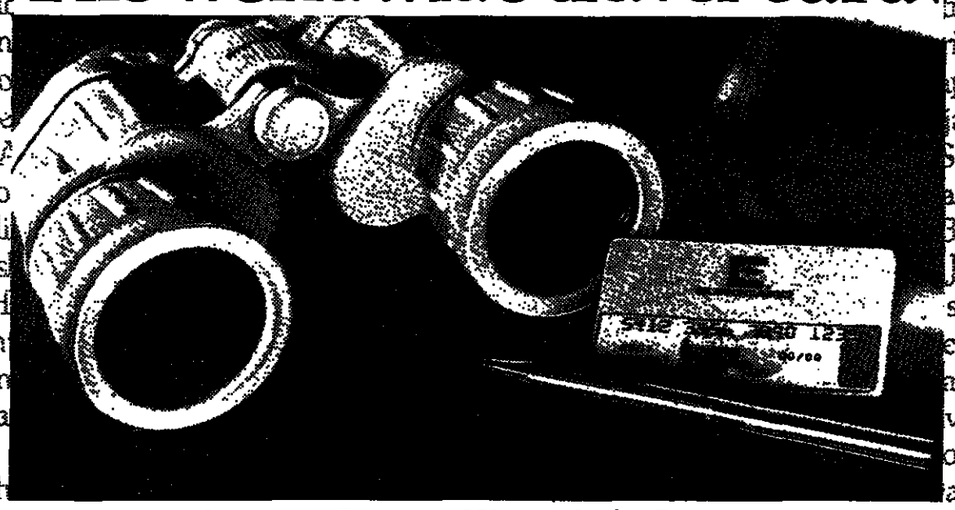

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Punjab Leader Rebuffs Hindus On Using Army Against Sikhs

Reuters

NEW DELHI — The Punjab chief minister rejected on Monday demands by rightist Hindu politicians to use the Indian Army against Sikh extremists who have caused hundreds of Hindu families to flee the state.

The official, Surjit Singh Barnala, said it would be no solution to deploy troops in extremist trouble spots in the north Indian state, where Sikhs are in the majority, the Press Trust of India news agency reported.

"Deployment of the army will not solve the problem," Mr. Barnala said in the Sikh holy city of Amritsar. "It's for the police and paramilitary troops to tackle terrorism."

National leaders of the influential Hindu Bharatiya Janata Party urged Prime Minister Rajiv Gandhi on Saturday to use the army to hit back at extremists waging a violent campaign for a separate Sikh nation in Punjab.

Mr. Gandhi agreed to consider the demand, which came amid growing concern that Hindus, who make up 40 percent of Punjab's 18 million people, were fleeing in fear of their lives.

Mr. Barnala, who has overall responsibility for security in Punjab, said he had asked for a company of crack paramilitary border security force troops to guard a tense market area of Amritsar, where extremists killed 11 persons on Wednesday.

He said that 27,000 police and paramilitary troops were deployed throughout Punjab in a stepped-up campaign against terrorism.

Nine Hindus and two Sikhs were shot down in the market place by a jeepload of extremists.

The attack was one of the bloodiest in the latest wave of killings, which has taken more than 230 lives in three months.

Hindu leaders said the last two weeks had been the most disturbing in the five years of Sikh violence because the militants seemed to have succeeded in forcing Hindus to flee Punjab.

They said they feared that a Hindu exodus would force Sikhs from other parts of India into Punjab, bringing closer the extremists' goal of setting up an independent state, Khalistan.

Tensions in Punjab were likely to remain high as Sikhs prepared to commemorate the second anniversary on June 6 of the army's assault on their holiest shrine, the Golden Temple in Amritsar, to dislodge extremists.

Hard-line Sikhs have called a meeting in the temple complex on that date to mark the attack, in which more than 1,000 people were killed. The raid deeply divided the Sikh religion, an offshoot of Hinduism.

In another sign of Hindu-Sikh tension, the Press Trust of India said that milk deliverers in Amritsar had announced they would halt supplies because of the stabbing of four Sikh milkmen during a protest strike called by Hindu militants last Thursday.

Sikh dairy farmers control milk supplies in the city of 700,000 people.

The Press Trust of India quoted the Punjab social welfare minister, Dalip Singh Pandhi, as having said the government would issue arms licenses to businessmen who wanted guns for self-protection.

■ Punjab Leader Ends Penance

Mr. Barnala ended on Monday a penance ordered by Sikh high priests, The Associated Press reported from Amritsar. He said the penance had strengthened him for the stepped-up battle against Sikh violence.

A Sikh, Mr. Barnala offered prayers and paid a fine to conclude the weeklong penance for ordering a raid April 30 on the Golden Temple to drive out Sikh extremists.

He said the penance, which started and ended at the temple and included dusting the shoes of Sikh pilgrims, steeled him for the battle against the extremists.

"I think it was a boon for self-purification," he said. "It has given me greater internal strength to tackle this problem in Punjab."

More than 75 people have died in terrorist incidents in Punjab since the raid, which Sikh militants vowed to avenge. The death toll includes three persons gunned down over the weekend.

Surjit Singh Barnala

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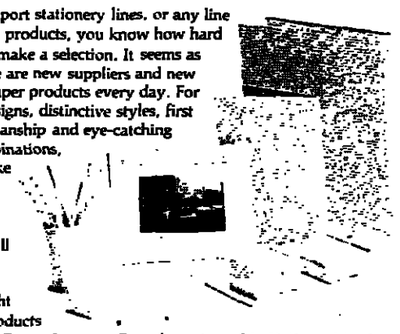

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Spanish Dispute With Canada

Reuters

MADRID — Spain asked Canada on Monday for clarification of the seizure of two Spanish trawlers following a fishing incident, officials said. A Canadian Embassy spokesman said the trawlers were being escorted to Saint John's, Newfoundland, and their skippers would be charged with unauthorized entry and fishing in Canada's 200-mile (320-kilometer) economic zone.

Sri Lanka Bolstering Security After Raids

Reuters

COLOMBO, Sri Lanka — Government forces have strengthened security around isolated Sinhalese villages on the east coast after Tamil separatist guerrillas killed 32 persons over the weekend.

General Sepala Attygale, the defense secretary, ordered a review of security in the region, which separatists want included in a Tamil nation.

"We are having an emergency look at things," he said. After the attacks, he added, security forces were on alert throughout the country because of signs the rebels planned more raids to disrupt peace talks.

"Anything can be expected in the present environment," the general said.

The village of Siripura, which has 1,000 residents and was the site of the worst killing, was guarded by only two militiamen. It was reported that 20 persons, including 10 children, were massacred there.

President Junius R. Jayewardene's son, Ravi, who is his personal security adviser, accompanied General Attygale on a tour of the region hours after the raids. He said the attacks were part of a wider conspiracy than the establishment of a separate Tamil nation.

"Fundamentally, it is a Communist insurgency against the state," he declared.

Replying to criticism from India that Sri Lankan security operations were the main threat to peace talks, President Jayewardene said the government had a responsibility to protect its citizens.

"We can't just let everyone be massacred and pull back into camps," he said.

India, which is mediating talks between Sri Lanka and the separatists, has said Colombo's military operations in the guerrilla stronghold of the Jaffna peninsula made New Delhi wonder if the negotiations were worth pursuing.

■ Tamils Protest Resettling

The main political party of Tamil separatists said Monday that Sri Lanka's policy of settling Sinhalese in Tamil-dominated areas had led to the recent guerrilla attacks on Sinhalese villagers, the Press Trust of India said, according to a United Press International report.

In a statement issued in the southern Indian city of Madras, the Tamil United Liberation Front said that the Sri Lankan authorities had adopted a "blatantly communal policy" of driving out Tamils from the island's Trincomalee district.

The political group said more than 1,000 Tamils in the area had been killed and 6,000 Tamil homes destroyed in recent years. Government troops had attacked refugees who attempted to return to the district, the statement said.

Central America's Elusive Peace

5 Presidents Fail to Reach Agreement on Main Issues

By Marjorie Miller
Los Angeles Times Service

ESQUIPULAS, Guatemala — In two days of meetings here, the presidents of five Central American countries failed to reach agreement on major issues that would lead them closer to signing a regional peace agreement.

The presidents of Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica agreed instead to postpone the June 6 deadline that other Latin American countries, working as the Contadora group, had imposed for signing an accord.

The summit meeting in this mountain town marked the first time the five presidents have met since the Sandinist government took power in Nicaragua in 1979.

In a joint declaration that one Honduran official described as "thin," the presidents said they are willing to sign a peace treaty. But they acknowledged that they have not resolved the outstanding central issues of arms control, regional military maneuvers and verification of compliance.

President Marco Vinicio Cerezo of Guatemala read the declaration he signed — along with presidents Daniel Ortega Saavedra of Nicaragua, José Napoleón Duarte of El Salvador, José Azcona Hoyo of Honduras and Oscar Arias Sánchez of Costa Rica — clearly noting that "differences and discrepancies" remain among the neighbors.

The presidents said they would meet again, but did not set another date. They agreed to create a permanent Central American parliament and said that their vice presidents would meet within a month to draw up a treaty.

The joint declaration says that each country's representative to the parliament would be "freely elected" by popular vote, a point Costa Rica apparently insisted upon.

Honduras, El Salvador and Costa Rica usually side with the United States on issues related to Nicaragua, and U.S. officials recently warned the allies to "stand firm" on the armament and verification issues in a peace treaty.

The United States opposes the leftist government of Nicaragua and backs rebels fighting to overthrow the government in Managua.

The Central American presidents' declaration was significantly shorter than a draft that had been approved May 4 by the countries' vice presidents. It omitted a phrase that had been in the draft calling the five presidents "freely elected by the will of the majority," also at the insistence of Costa Rica, which had reservations about the conduct of the Nicaraguan election.

In what appear to be other concessions to the interest of the U.S. allies, the final declaration states that "peace in Central America can only be the fruit of an authentic pluralistic and participatory democratic process," and adds, that each country has the right to have its own economic model as long as that model is the result "of the freely expressed will of its people."

The final declaration says, "We recognize the need to sign a Contadora agreement, but first of course it would be necessary to resolve certain problems."

The Contadora peace process takes its name from the Panamanian island of Contadora, where officials of Mexico, Panama, Venezuela and Colombia first met in January 1983 to try to negotiate peace in Central America. They have since been joined by Peru, Brazil, Argentina and Uruguay, which form the Contadora support group.

In a meeting in Panama last month the Contadora group called for the Central American nations to sign an agreement by June 6.

The declaration by the five presidents states, "We have found the distinct proposals presented by the countries to be sufficiently fertile and realistic as to facilitate the signing of the act." The declaration makes no mention of a date.

Aquino's Constitutional Commission Allows Marcos Supporters 5 Seats

By William Branigin
Washington Post Service

MANILA — The commission appointed by President Corazon C. Aquino to draft a new constitution for the Philippines excluded known Communist leaders but allowed supporters of former President Ferdinand E. Marcos to fill five of the body's 50 seats.

The members include politicians, lawyers, academics, four Roman Catholic clergymen, two Moslem leaders, two former Supreme Court justices, a retired general, a student leader and one of Mrs. Aquino's uncles.

Most of those named Sunday appeared to be political moderates who strongly supported Mrs. Aquino's presidential campaign.

While Mrs. Aquino did not appoint two Communist leaders who were widely expected to be named, she did include at least two members of a leftist political organization that the military sees as a front of the Communist Party of the Philippines.

The new charter to be drafted will replace a provisional one that Mrs. Aquino proclaimed to dismantle what she called the "Marcos dictatorship."

The commission is due to convene Monday. Mrs. Aquino has said she hopes it can produce a new constitution within 90 days, paving the way for elections by the end of the year or early next year.

Shortly after taking office, Mrs. Aquino postponed elections due in May for provincial governors, mayors and other local officials. Elections must also be held for a new legislature following Mrs. Aquino's March 25 abolition of the National Assembly elected under Mr. Marcos.

Mrs. Aquino announced the composition of the commission at a rally marking her first three months in power.

In a separate rally by Manila Bay, about 5,000 Marcos loyalists proclaimed Arturo Tolentino, who ran for vice president with Mr. Marcos in the Feb. 7 election, as the "acting president."

Mr. Tolentino, 75, condemned Mrs. Aquino's government as illegal and unconstitutional but declined to take an oath of office as acting president.

He has rejected participation in the constitutional commission, which has been widely criticized because it is an appointed rather than an elected body.

One former supporter of Mr. Marcos who has signaled willingness to participate in the commission is Blas F. Ople, who has formed the Philippine Nationalist Party from the remnants of Mr. Marcos's New Society Movement.

Mr. Ople, labor minister under Mr. Marcos, proposed 11 candidates for the commission, including eight from his offshoot party, two independents and one from New Society.

[The government announced Monday that Mr. Ople had filled the five vacant seats on the commission by nominating himself and four other Marcos loyalists, The Associated Press reported.

[He also named the former deputy defense minister, Teodulo Natividad, and Alejandro Almendaras, Regalado Maambung and Rustico de los Reyes, former assemblymen.]

In announcing the names of 44 members of the commission, Mrs. Aquino passed over Jose Maria Sison, the founder of Communist Party of the Philippines, and Bernabe Buscayno, the original commander of the party's guerrilla wing, the New People's Army. They were among political prisoners released soon after Mrs. Aquino took office, and both had been widely touted as likely members.

Mrs. Aquino said she was "leaving five places vacant in the spirit of reconciliation for the opposition to fill." A presidential aide later clarified that "opposition" meant Marcos supporters, not Communists.

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REFUGEES: *30,000 Homeless*

(Continued from Page 1)

more than 1,600 lives since September 1984.

Crossroads, close to Cape Town's international airport and within view of Table Mountain, has been an emblem of defiance since its formation in 1975 by blacks defying the laws limiting black movement to cities. Over the years the camp, home to more than 100,000 people packed into small shanties, has been carved up into fiefdoms by local leaders exacting rents and loyalty from their followers. The areas razed in last week's fighting, residents said, were those in which the radical "comrades" held sway.

The area that remains intact is generally viewed as being under the leadership of a conservative leader, Johnson Ngxobongwana.

Initially, South Africa's white rulers wanted the entire black population of Crossroads and three black townships nearby to be relocated at Khayelitsha, a vast and sprawling settlement on the Cape Flats.

But the authorities first relented the townships of Nyanga, Langa and Guguletu, and then relented on Crossroads, saying that many of its residents would have to go to Khayelitsha but that others could remain and the area would be redeveloped.

Weekend Death Toll

On Monday the police reported four deaths overnight in unrest in black townships, raising the official weekend death toll to 21, The Associated Press reported from Johannesburg.

In addition, two blacks were killed and eight injured Sunday in a land mine explosion.

The Associated Press

Crossroads residents left the camp last week during clashes between rival black groups.

Bonner Says She Has Fear For Sakharov In Soviet

Agence France-Presse

PARIS — Yelena G. Bonner, who is on her way back to the Soviet Union to rejoin her husband, Andrei D. Sakharov, after a six-month stay in the West, said Monday that she had "terrible fears" about her husband's situation.

She said that her main fear was that their isolation would be increased after she returns and that Soviet "disinformation" about the couple would continue.

Mrs. Bonner expressed her anxiety to Simone Veil, the former French health minister who is now a member of the European Parliament.

Mr. Sakharov, the dissident Nobel laureate, is in internal exile at Gorky with Mrs. Bonner. Earlier, Mrs. Bonner urged French officials to help obtain his release.

"If you value the democracy in which you are accustomed to living, if you love it, defend it," she said after meeting with François Léotard, the culture and communications minister, Michel Noir, the external trade minister, and Claude Malhuret, a junior minister for human rights.

Mr. Léotard and Mr. Noir were the last prominent Westerners to meet with Mrs. Bonner before she was exiled.

Mrs. Bonner, 63, who underwent heart and eye treatment in the West, is to visit Norway, Britain and Italy before returning to the Soviet Union on Monday.

ASSAD: *Syrian May Attempt to Deflect Terror Charge*

(Continued from Page 1)

quoted unnamed Syrian diplomatic sources as saying that Mr. Assad would discuss "Greece's role within the European Economic Community and NATO for the support of Arab concerns."

A West European diplomat, speaking on condition that he not be identified further, said that Mr. Assad "would probably like to use Papandreou to get across some views to the Common Market."

■ Syria Seeks U.S. Talks

Earlier, Bernard Gwertzman of The New York Times reported from Washington:

Syria has sent several messages to the United States in recent days denying complicity in terrorist activity and seeking a constructive discussion to resolve differences and misunderstandings, Reagan administration officials said Sunday.

They said Washington was weighing the Syrian messages, sent through many diplomatic and public channels. But they said the often-contradictory statements from European capitals on whether Syria was involved directly in past terrorist actions had complicated the U.S. response.

There have been unconfirmed reports that the Italian authorities are seeking to question as many as 20 Syrians for possible involvement in the attack on the Rome airport in December.

"It is a very confusing situation," a State Department official said. "We know that Syria is very uneasy about being linked to Libya and Iran as centers of terrorism, and we think the Syrians are trying to improve their reputation.

"But so far, it is all words, and we honestly don't know how much to take them at their word," he continued. "There are credible reports that they were involved in terrorist actions, but there is no 'smoking gun' yet to definitely indict them."

The Syrian foreign minister, Farouk al-Sharaa, appeared Sunday on American television to deny the terrorist charges and to call for an "equal, positive dialogue with the United States."

On the television program "Face the Nation," Mr. Sharaa also said that Syria was continuing "to do its best" to help gain the release of French and American hostages in Lebanon. Many, if not all, of the hostages are believed to be held in the Syrian-controlled Bekaa region of Lebanon.

Referring to statements implicating Syria in the Rome airport attack, the foreign minister said, "I can assure you that these reports are absolutely false."

He added that Syria believed that "this campaign is intentionally directed against Syria for political reasons, and one of them is to terrify the Arabs, the Syrian people in particular, to change their policy toward the Israeli occupation."

The second objective, he said, was "to forget about Palestinian rights because the Israelis are the first to benefit from that."

JAPAN: *Party Plans Early Election*

(Continued from Page 1)

momentum of such an electoral success to extend his own tenure, or to forge a role as a party kingmaker if he steps down this fall.

For a time it seemed as though rivals had out-maneuvered Mr. Nakasone. The turnaround, analysts here said, reflects both his political agility and the self-interest of the rival groups that compose Japan's ruling party.

Although Mr. Nakasone is party president and commands high ratings in public opinion polls, he has never been very popular with other politicians in his party.

Because his faction is not as large as some of his rivals, he has maintained his strength through shifting alliances with other factions within the party.

Many of the party's elder statesmen — former prime ministers who still control key factions — believe that Mr. Nakasone has been in power too long.

While some members may continue to nurse reservations about Mr. Nakasone's motivations, they also see the double elections as good for the party as a whole — and a chance to expand the strength of their own factions.

COLOMBIA: *Opposition Wins*

(Continued from Page 1)

populist touch and genial manner, dealt with the country's chronic warfare and poverty by signing cease-fires with most of the guerrilla groups, pledging urban and agrarian reforms, and cracking down on some drug operations. But an economic recession, more than two years of rigid austerity and difficulty until last year in obtaining foreign credits frustrated his designs.

One positive legacy of Mr. Betancur's four-year term has been a prolonged truce agreement with the Revolutionary Armed Forces of Colombia, the oldest and largest guerrilla group, which entered a joint candidate. Jaime Pardo Leal, a former judge who ran under the banner of the Patriotic Union, set up last year by the Revolutionary Armed Forces and the Communist Party, won about 4 percent of the vote.

The defeated candidate, Mr. Gómez, 67, a lawyer and former journalist who also was Colombia's ambassador to Washington, faced the task of living down his background. His candidacy aroused memories of the political violence in Colombia in the late 1940s and 1950s when Laureano Gómez, his father, was president.

Angola Charges ... African Attack

The Associated Press

LISBON — Angola asserted Monday that South African troops, using armored vehicles and heavy artillery, have moved back into its territory. It said that the troops killed 53 Angolan soldiers in fighting Thursday.

The reported attack near Xangongo in Angola came three days after South African forces attacked alleged African National Congress guerrilla bases in Botswana, Zambia and Zimbabwe.

The Angolan Defense Ministry said Monday that hundreds of South African troops have crossed over the border with South-West Africa (Namibia) into Cunene province in Angola since early Friday, moving into position to support guerrilla forces of the UNITA rebel movement and taking over strategic sites.

TOURIST: *British Beckon*

(Continued from Page 1)

Webber's "Cats" and "Starlight Express," there are fears of imminent disaster.

In normal times, foreign visitors make up 45 percent of the London theater audiences, with a third of those from the United States.

British Caledonian Airlines, which has the current misfortune of deriving a large portion of its income from trans-Atlantic flights and what until recently were twice-weekly round trips to Libya, announced this month that it was laying off 1,000 employees.

British Airways, which says its business has fallen by only 10 to 15 percent and is now beginning to spring back, nonetheless has canceled the planned recruitment of 1,500 extra summer staff.

The extensive press coverage of terrorism, the new ambassador to Washington remarked in his speech to the American Chamber of Commerce, "has created quite unjustified anxiety about overseas travel."

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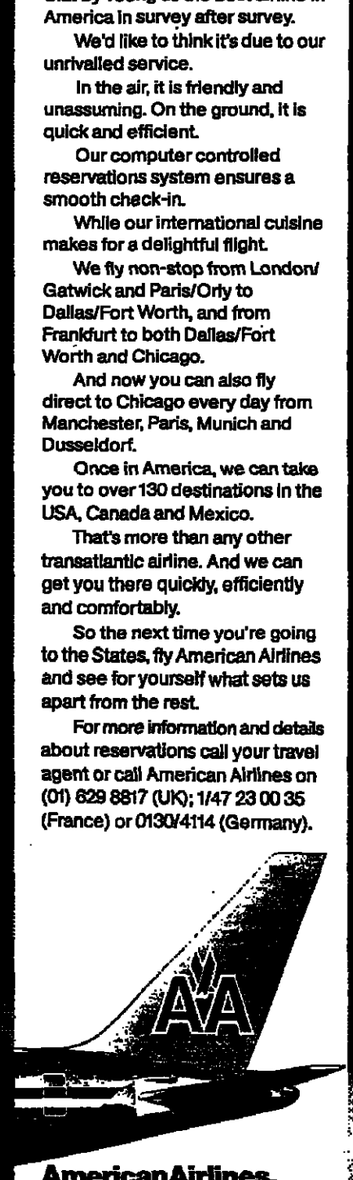

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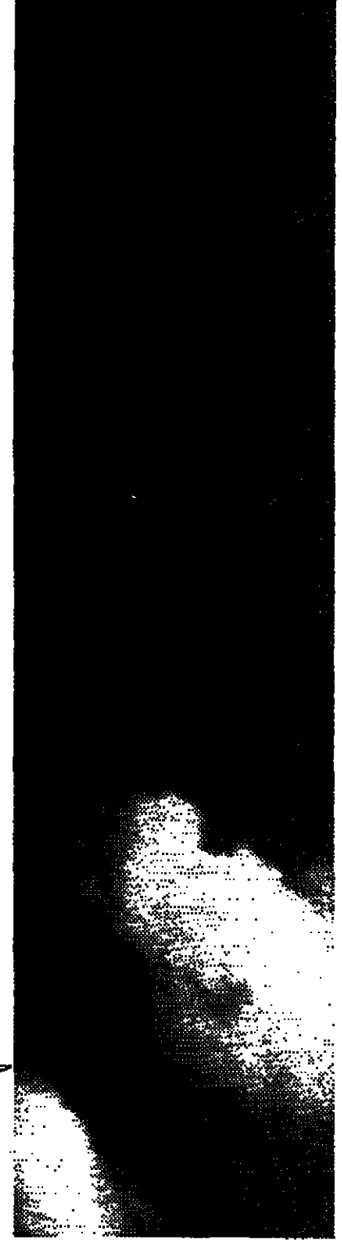

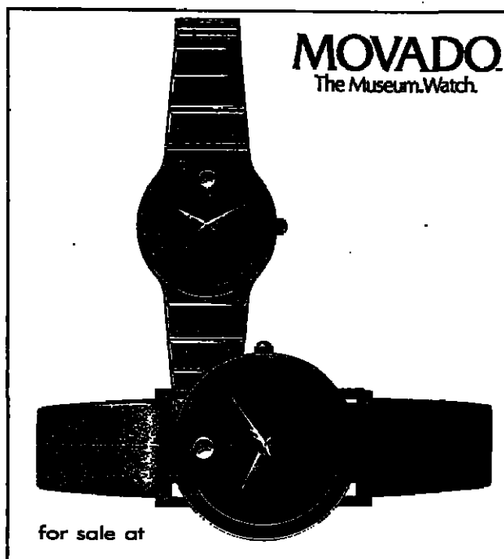

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ARTS / LEISURE

Engine Trouble Ties Up Debut of Floating Maxim's

International Herald Tribune

HEBE DORSEY

MONTE CARLO — The much-touted launching of Maxim's des Mers, a floating franchise of the Paris restaurant, turned into an unfortunate no-show.

It started out fine. On Friday, Pierre Cardin chartered two jets to take 60 guests to Monte Carlo, where the boat was to be christened by Princess Caroline that afternoon. Prince Rainier, who is reputedly fond of boats, was going to join the party for a black-tie dinner. All the women got purple Maxim's orchids, the line-up of limousines was a mile long and everybody was anxious to see what a floating Belle Epoque palace would look like.

Things fell apart when the boat, which left Toulon the same day the guests flew from Paris, blew a motor and had to go back. At this point, Princess Caroline (who is very pregnant) canceled her appearance and Prince Rainier did not show up either. The rest of the troops, led by Cardin, had no choice but to be good sports and the black-tie dinner for 150 still took place on the roof of Loew's Hotel. But the party was very much off-key, especially when, to the sound of Maxim's violins, the waiters brought out a huge cake in the shape of the missing Maxim's des Mers.

The real one, meanwhile, is still at the Toulon docks, and it is hoped that repairs will be completed in the next few days so that the vessel can belatedly get on with its inaugural cruise.

Among the guests was Esther Williams, who flew in for the first cruise. Asked what she was doing here, she said: "I met Jean Miguel at Palm Springs," where Cardin inaugurated his first Hotel Maxim's last spring, "and we hit it off right away. So when he invited me to this launching, I accepted."

The Maxim's des Mers is a Cardin franchise of which Miguel, a former public relations person for the Moulin Rouge, is the director. The boat, which used to be a U.S. minesweeper, was bought by the Brazilian millionaire Francisco (Baby) Pignatari in 1961 for his then-wife, Ira von Furstenberg. But the marriage collapsed before she had a chance to use it. Miguel said he found several investors, including some Swiss banks, to put up $28 million to finance and redecorate the boat. He said Maxim's des Mers was fully occupied for its first cruise, but with 60 percent nonpaying guests.

On Saturday, Cardin took a few photographers to Toulon to pose for a few pictures and decided to have the boat christened by Véronique Mourousi, the wife of Yves Mourousi, the well-known French television newscaster.

Monte Carlo otherwise seemed very deserted and, according to an article in La Gazette, the local magazine, the hotels have registered a serious drop in American clientèle.

Karl L. Vanis, manager of the Hotel de Paris, said in a telephone interview that the hotel had lost about one-third of its American clientele through cancellations. Since Americans accounted for 30 percent of the clientele last year, that represents about 10 percent of total bookings. "But these 10 percent are seminars and so-called incentive trips," he said. "Our private clientele has not been affected."

But Vanis added that "we won't be able to replace this 10 percent because Europeans, too, are having problems. Not terrorism, but economic problems."

Dario dell'Antonia, an official of the Société des Bains de Mers, which operates the major hotels and tourist facilities in Monte Carlo, said that Americans represent 25 percent of its total clientele, and confirmed that there were lots of cancellations of incentive trips "because no one wanted to take the responsibility."

"April was particularly bad," he added, with cancellations of 25 percent of total bookings. "But our New York office tells us that there are requests again. May, which I expected to be so-so, was quite good, and we foresee a very good June."

Dell'Antonia also pointed out that a weaker dollar did not help. "Last year was exceptional," he said. "This year, because of the absence of Americans, the drop will be more than 15 percent in the general tourist picture. But our habitués are still coming."

As for the rest of the French Riviera, dell'Antonia said he attended a meeting last week of an association grouping 17 deluxe hotels, including La Réserve and the Métropole at Beaulieu, the Voile d'Or at Villefranche, the Hotel du Cap at Antibes, the Majestic and the Martinez at Cannes and the Byblos at Saint-Tropez.

"The general feeling is that the drop will be felt in middle-class tourism, but the deluxe travelers have not canceled, maybe on a position of wait-and-see."

The manager of the Byblos in Saint-Tropez whose clientele is 50 to 60 percent American, was reportedly not worried. "They're fully booked," dell'Antonia said, "but not overbooked." Same story at the Majestic and the Martinez.

This association is trying to recoup by reaching out for the European market and "we're going to push the European traffic a little more," dell'Antonia said.

The yacht clientele is definitely shot, dell'Antonia also said. "We're not getting the same amount of requests as last year when there were lots of people cruising in the Mediterranean and stopping for one day. Tours by a great many boats have been canceled, including four or five ones like the Royal Viking and the Ocean Princess."

From his Moulin de Mougins, a temple of French cuisine and a favorite stop for Americans, Roger Vergé said: "There are are modifications, a few cancellations and I believe I will have less Americans than last year. But we have a lot of Europeans. For the time being, the summer does not look too bad. I know that groups have canceled, but this does not affect us because it's not our clientele."

At the Loew's, a hotel which was conceived by Americans for Americans, there were no Americans around over the weekend except for those who came for the Cardin party. A spokesman said that while the American clientele accounted for more than half of the bookings last summer, there were virtually no American bookings for this summer.

But Esther Williams was not afraid. "I won't let these people intimidate me," she said. "If I had been scared, I wouldn't have done anything in my life. I wouldn't have become a movie star."

Jacques Minch-France Soir

Pierre Cardin with friend and staff at bar of docked Maxim's des Mers.

The Tuxedo Turns 100, Just in Time for a Well-Dressed Black-Tie Comeback

By Lisa Belkin
New York Times Service

NEW YORK — Robert Beaty thinks it is fortunate that Griswold Lorillard invented the tuxedo when he did.

It has been 100 years since Lorillard, a tobacco heir from Tuxedo Park, New York, shocked society by wearing a jacket without tails to a formal dinner. Beaty, president of the American Formalwear Association, intends to commemorate that act, which started a $600-million industry.

Had the centenary fallen a few years ago, he says, the festivities would have been subdued; the tuxedo had fallen out of favor. But this year, renters and retailers are in the mood for a party.

"The timing is perfect for the industry," said Beaty, chairman of Mitchell's Formal Wear, based in Atlanta, which plans to open its 100th store this year. "We couldn't have planned it better."

Like much of the fashion industry, the tuxedo business is a reflection of a nation's mood. "What we're seeing is a return to elegance," said Antoinette Fitapelli, a spokesman for the Formalwear Association.

The tuxedo "virtually disappeared" in the late 1960s and early '70s, according to Harvey Weinstein, president of Lord West, another big manufacturer.

The industry gave a collective cringe when Jimmy Carter brought informality to the White House, and a smile of relief when Ronald and Nancy Reagan brought an emphasis on elegance.

"I don't know that Reagan sets the trend so much as typifies it," said Joel Gingiss of Gingiss Formalwear, which, with 229 stores, is the largest renter in the country. "Everywhere things are more formal, not just the White House."

Between 75 and 80 percent of all rentals are for weddings, Weinstein said. "Ten years ago we were lucky if 50 percent of first-time grooms wore one." Today 85 percent of first-time grooms wear tuxedos.

The next largest rental category is proms, which have also made a comeback. More social and business events are black-tie as well. "Charities love it," Fitapelli said. "If you put 'black tie' on the invitation it creates a special aura and you can justify $200 for the ticket."

The jump in the number of formal events creates a spiral, Weinstein said. "Because they use a tuxedo so often, they buy instead of rent," he added. "Once he owns one, he welcomes the opportunity to wear one."

Just as the attitude toward formal wear has changed over the last decade, so has the nature of the formal wear itself.

"We have gone through the fad periods, responding to consumer demand," Weinstein said. He remembers the Nehru styles and the formal turtleneck look. There were the days of the red tuxedo, and there were the years when those grooms who did wear tuxedos wore pastel shades. "I think that when the people who were married in those outfits look at the pictures they wince," Gingiss said.

"Fortunately, good taste prevailed, as it always does," Weinstein said. "We're into a very restrained, traditional era."

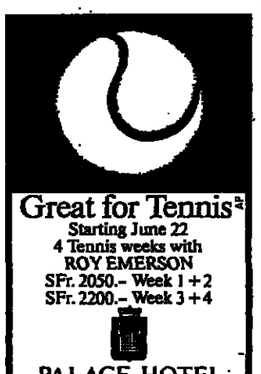
That does not mean, however, that the world of the tuxedo is without controversy. A muted debate goes on over whether Griswold Lorillard did in fact create the look that carries the name of Tuxedo Park, where he spent summers. Some believe that the honor really belongs to Edward VII, who ordered the tails cut off his jacket during a visit to India because of the heat.

There are also arguments over how to wear the bow tie. Can it be factory tied? Does it stick inside or outside a wing collar?

The traditional cut is "too uptight," said Willi Smith, who is designing the attire that Edwin Schlossberg and his ushers will wear when Schlossberg marries Caroline Kennedy this summer. Smith plans single-breasted suits that are "formal yet easygoing." And there will probably be no bow tie on the groom. Smith thinks such ties are "silly looking and pompous," and he may supply a long tie instead.

Smith has not yet decided what he will wear to the black-tie dinner that the association will hold this fall in tribute to the tuxedo. The organization tried to reserve the Tuxedo Club, where Lorillard first showed his creation, but they were turned away.

"It is a very exclusive place," Fitapelli explained. "It always has been."



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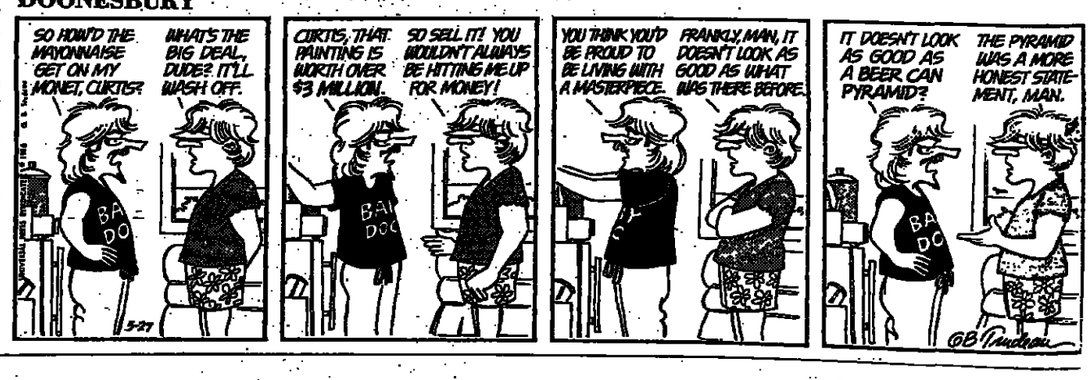

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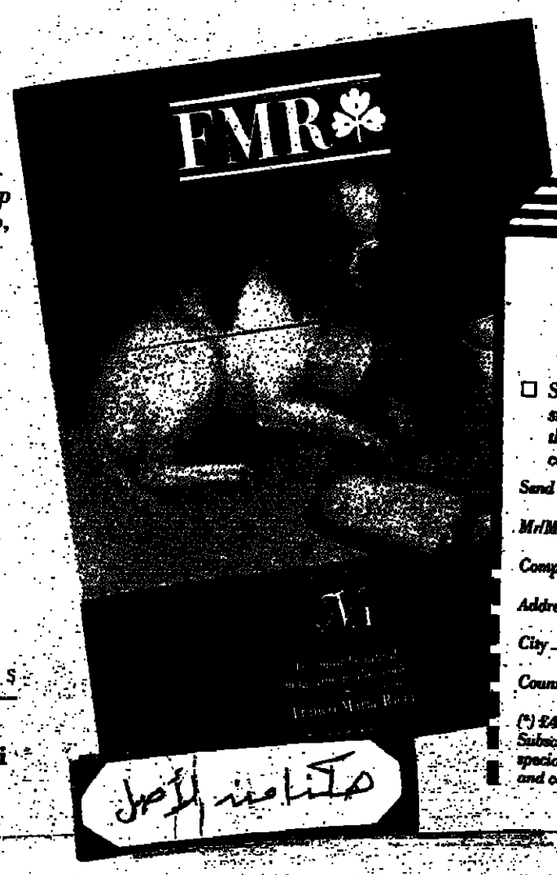

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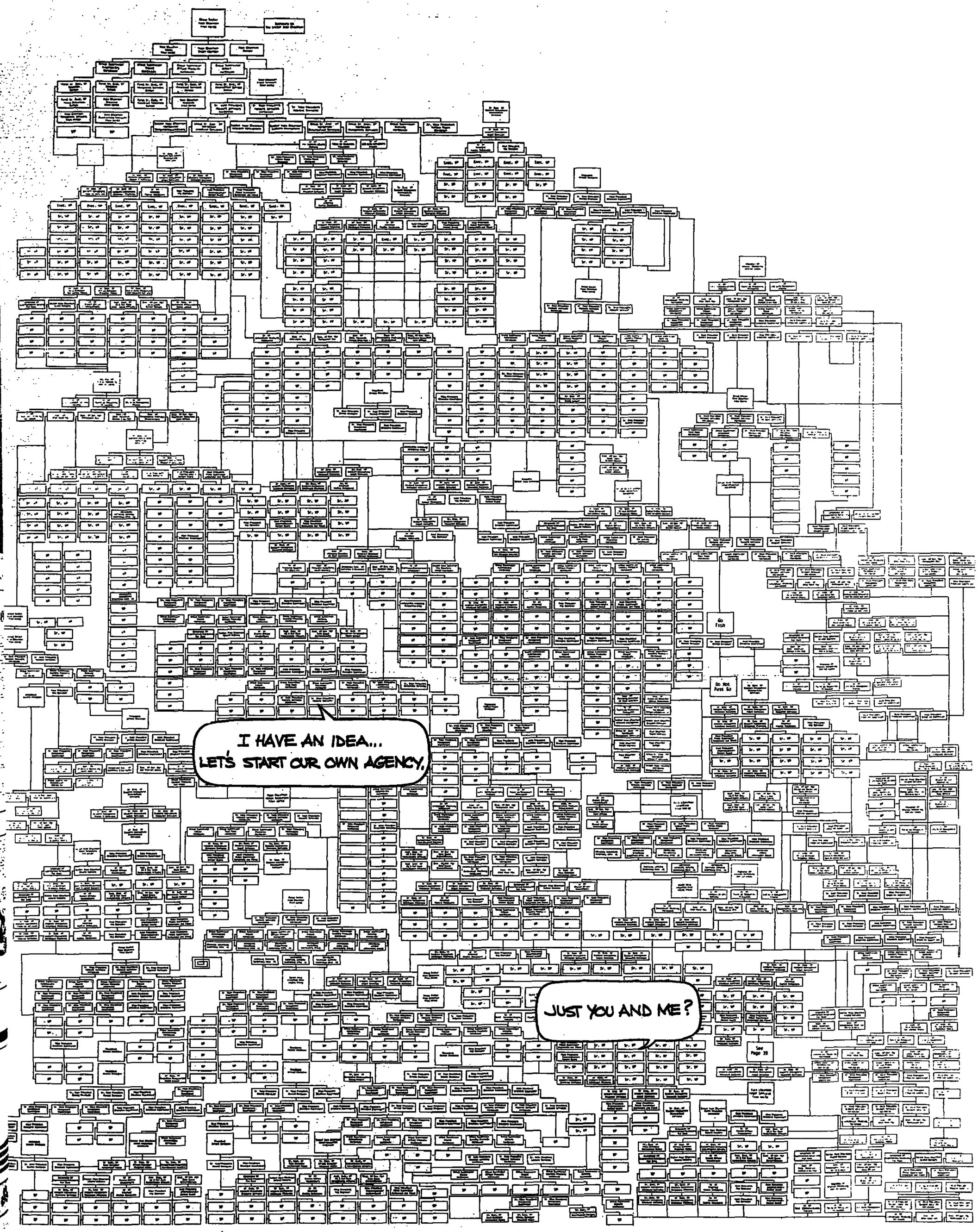

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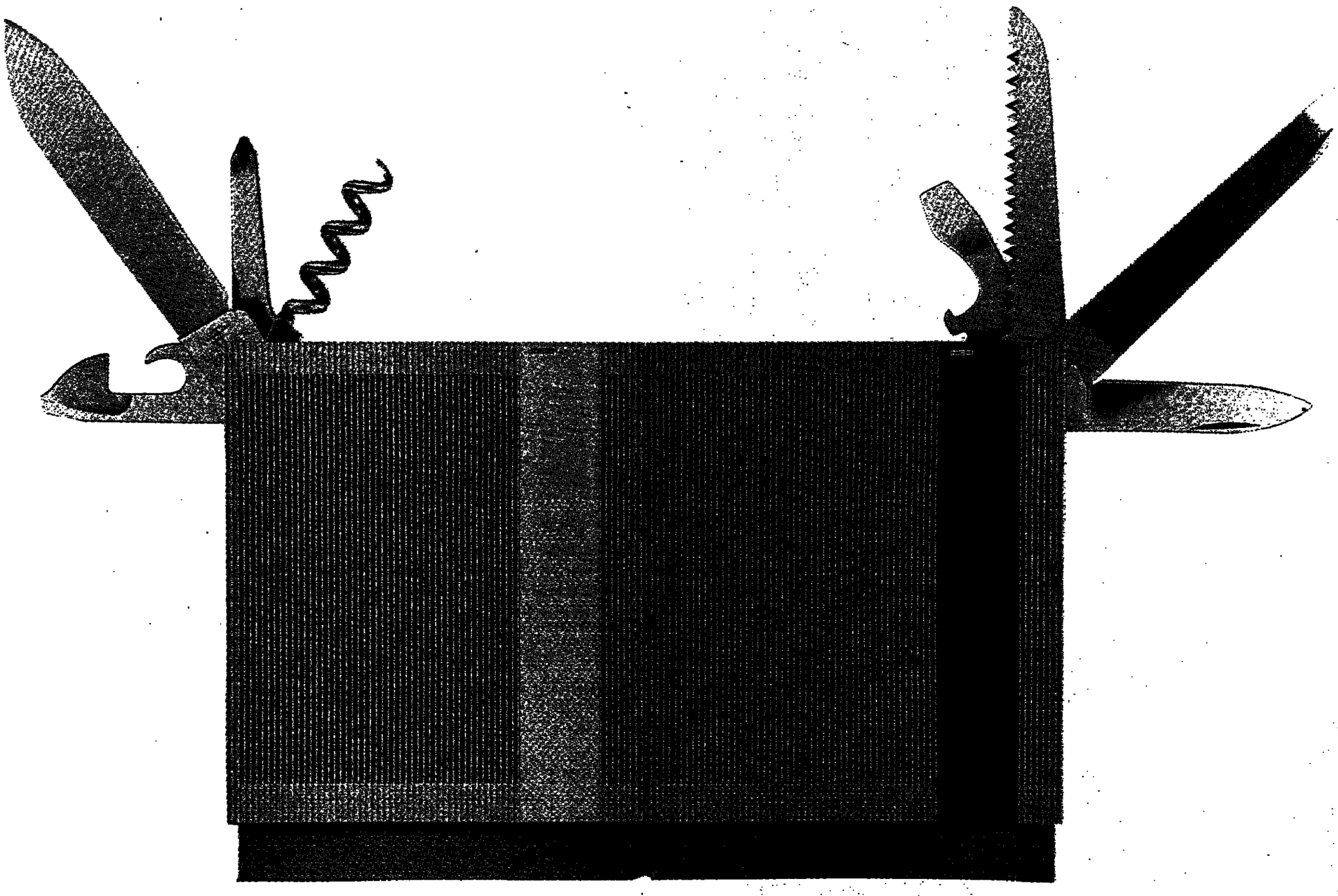

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Herald Tribune (International)

BUSINESS / FINANCE

UESDAY, MAY 27, 1986 **

INTERNATIONAL STOCK MARKETS

?ension Funds Miss Profits n Shifting Currency Values

By WILLIAM G. McBRIDE
International Herald Tribune

NEW YORK — Attracted by booming stock markets and strong returns abroad — and the prospect that worldwide diversification will reduce risk — American pension funds have put $35 billion of their $1.5 trillion assets under the guidance of international investment advisers.

ıt in selling their expertise to pension funds, many of the 100 or advisory firms that specialize in international investments ve soft-pedaled one potential benefit: the chance to cash in on ifts in currency values.

"Most pension fund officers are highly skeptical of anyone's ›ility to forecast currency fluctuations successfully," says Mallm Mitchell, vice president Intersec, a Stamford, Concticut firm that helps corpote and public pension funds aluate international investent advisers.

> "Most pension fund officers are skeptical of anyone's ability to forecast currency fluctuations."

Money managers tend to que that outguessing forɪn-exchange markets in the ɔrt term is perilous, and ıt, over the long haul, shifts currency values tend to offset one another. It is far more portant, they argue, to pick the right foreign market at the right ɪe.

Yet one adviser, Ullrich S. Moser, president of ABD International Management Corp., an affiliate of West Germany's esdner Bank AG, has chalked up an enviable record by cking that conventional wisdom.

Mr. Moser, whose firm manages about $1.5 billion, most of it nerican pension money, has put currency strategies at the heart his approach. And with apparent success: The accounts of ɜD's American clients have doubled in value from Jan. 1, 1985, ɔugh April 30, 1986.

According to Mr. Moser, managers should take advantage of ɾrency shifts, even in the short term, and he applies this ategy in two ways. On one level, he tries to determine which :tors and stocks will be penalized and rewarded by swings in ɾrency values.

FOR EXAMPLE, long before the U.S. air raid on Libya he had concluded that the weaker dollar would discourage Americans from vacationing abroad and entice more Euroɪn tourists to the United States. He advocated the shedding of h European hotel and leisure shares as Britain's Grand Metroitan PLC and France's Accor in favor of American issues such Walt Disney Co. and Holiday Corp. (Holiday Inns), which ɾe done well.

ABD also is closely watching the effects of a weaker dollar and ɾer interest rates on developing countries, especially Asian, ɪican and Latin American nations that are not oil exporters. expects them to increase spending on capital projects such as ds, schools and hospitals, which could benefit international ɪpanies that have major interests in these areas. These include lzmann, the German construction company; Unilever, the ɪtish-Dutch consumer group, and Peugeot, the French autoɪer.

ıut much less conventional is the assertive way that Mr. Moser ısts the currency exposure of his portfolios. While he may ɔmmend stocks that stand to benefit from a generally weaker ar, he is ready to cash in on short-term foreign-exchange ɾes, and buys and sells currencies in the global interbank ket. These transactions are known as "forward" deals, bese they involve the sale and purchase of large blocks of ɾencies at a specific rate for delivery at some future date.

. good example was in early March, just before the dollar

See INVEST, Page 12

Frère Poised to Form Global Financial Network

Belgian Financier Also Has Eye on France's Expected Privatization Plans

By Peter Maass
New York Times Service

BRUSSELS — When Albert Frère made his first foray into international financial dealings in 1981, he snatched a prize that infuriated the newly elected French government and drew lasting attention to the businessmen behind the legendary escapade.

Mr. Frère and his associates managed to transfer the Swiss and Belgian assets of Compagnie Financière de Paribas, the giant French bank holding company, thus hampering the Socialist government's plans for nationalizing Paribas.

For Mr. Frère, 60, who now sits atop a business empire with a reported equity value of $1.9 billion, that foray was just the beginning of his new life as an international financier. Known as a persuasive salesmen with keen financial intuition, Mr. Frère recently has taken control of Belgium's second-largest holding company, Groupe Bruxelles Lambert SA, and helped create and manage two burgeoning concerns that are increasingly active in business circles, Pargesa Holdings SA in Geneva and Lambert Brussels Corp. in New York.

A steel-baron-turned-financier, Mr. Frère is using Groupe Bruxelles Lambert, Pargesa and Lambert Brussels in a three-pronged move to form an international financial network roughly split between banking and industrial activities.

After a series of successful acquisitions in the last few years, the tightly linked companies have accumulated banking holdings in virtually every West European country. They have ambitious plans for future expansion, particularly in France, where a number of government-owned companies are expected to be returned to the private sector following the election in March of a conservative government.

Mr. Frère also has joined the race to set up a Pan-European television network, which he plans to construct around Compagnie Luxembourgeoise de Télédiffusion, the highly profitable media company in which GBL has a major stake. In a move that has sparked considerable speculation, Mr. Frère and Rupert Murdoch, the publishing executive, have formed a joint company to study the possibility of cooperating in their media ventures.

Van Parys/SYGMA
Albert Frère, who is working toward global expansion.

Many financial analysts, impressed by Mr. Frère's record, believe that the feisty Belgian will be a force to reckon with in the years to come. "He's a brilliant salesman," a top West European executive said. A Belgian financial expert added, "Practically everything he's touched has succeeded." A few months ago, the leading Belgian business magazine tapped Mr. Frère, believed to be one of the country's richest men, as "manager of the year" for 1985.

It is an outgoing personality that has allowed the rotund, tanned Mr. Frère to succeed despite several handicaps. At the age of 17, he left school to take charge of his father's nail-selling business in Charleroi, a rough working-class town in southern Belgium.

What he may lack in formal education and noteworthy social roots is compensated for by his strong working habits: an avid tennis player and jogger, Mr. Frère rises before 7 in the morning and remains at work long after most of his staff have departed. These un-European habits, observers say, have cast Mr. Frère into the aggres-

See FRÈRE, Page 13

Factory Orders, Capacity Use Fall in Germany

Reuters

MUNICH — West German manufacturing industry's orders on hand fell to the equivalent of 2.8 months' work in March from 3 months last December, IFO, the economic research institute, reported Monday. It said the fall pushed down capacity use to 83.9 percent from 85.2 percent.

"In view of the shrunken order reserves and increasing skepticism of companies during the past months over future developments, it is not certain whether there will be a rise in capacity use in the second quarter," the institute said.

Capacity use among producers of capital goods, such as machinery used to manufacture other goods, slipped to an average 85.9 percent in March from 86.2 percent in December, the IFO said.

Orders on hand in this sector fell to the equivalent of 5 months' work, seasonally adjusted, from 5.1 months, it said.

The institute described the capacity use as relatively high, but said indicators pointed to no increase in the capital goods sector in the coming months.

It said that while recent pessimism about export prospects had faded, overall business expectations had nevertheless worsened.

The basic products sector reported the largest drop in capacity use, to 82.7 percent in March from 84.4 percent in December.

The institute said there were no indications of an early rise. Orders on hand fell to 2.2 months from 2.4.

In the consumer durables sector, which includes such things as televisions, cars and washing machines, orders on hand stood at 2.1 months in March, unchanged from December, but capacity use slipped to 85 percent from 85.5.

The institute said the business climate in the sector had cooled noticeably in the last few months and weakening demand had quashed optimism about the outlook.

The consumer goods industry was the only manufacturing sector to show a rise in orders on hand, to 2.8 months' work from 2.5. Capacity use nevertheless slipped to 89 percent from 89.9.

The institute said consumer goods producers were satisfied with business on balance and saw little change in production or capacity use in the coming months.

Yamani Warns Of New Crisis

Reuters

RIYADH — Saudi Arabia's oil minister, Sheikh Ahmed Zaki Yamani, said that a new oil crisis could develop in the 1990s, leaving Gulf states supplying as much as three-quarters of the world's oil.

In an interview broadcast Sunday by Saudi Arabian television, he said that there could be a crisis if producers inside and outside the Organization of Petroleum Exporting Countries do not cooperate on oil prices.

"If the trend continues," he said, "we are going to have a severe energy crisis in the 1990s resulting in a high demand and a real shortage of supplies that we may not be able to handle as we did in the 1970s."

New Agency to Help Entrepreneurs in Sub-Sahara Africa

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — A chicken farmer in Zimbabwe is looking for advice on where to buy chicks and how to finance them. A small company in Ghana is planning to invest in agricultural processing but is uncertain which equipment to buy.

Starting in July, both will be able to get help from a new international organization that will help small and medium-size entrepreneurs in sub-Saharan Africa shop for financing in amounts ranging from $500,000 to $5 million. But the new organization will not provide the financing itself, officials said.

"Don't look for miracles," said Sir William Ryrie, executive vice president of the International Finance Corp. "It's going to take time. The building up of a healthy private sector will take many years. But this is where we have to begin."

The IFC, the private-sector financing arm of the World Bank, has joined with the United Nations Development Program and the African Development Bank to sponsor the new organization, the Africa Project Development Facility.

Offices in Abidjan, Ivory Coast, covering western and central Africa, and in Nairobi, covering eastern and southern Africa, will provide technical, management and financial consulting services.

Analysts said the move comes at a time when African governments are paying increasing attention to the private sector to try to improve their economies' performances.

"In a lot of Africa the private sector is now stronger than at any time since decolonization," said Richard E. Feinberg, executive director of the Overseas Development Council, a Washington research institute.

The group is also being formed at a time when Africa's economic problems have brought more calls for foreign aid. Just last week an independent group urged President Ronald Reagan to promise new programs to help the continent.

The group is starting with a yearly budget of $15 million provided by the three sponsors and 12 industrialized donor countries, led by the United States. Two advanced developing countries, Brazil and India, will provide technical aid.

In many African countries with heavy debt loads and austerity programs, small entrepreneurs find it difficult to get credit. Development experts say that banks find it much more cost-effective to lend larger sums to larger entities.

"There is clearly a financing gap," said one specialist who asked not to be named. "If this helps bridge the gap, then it may serve a very useful purpose."

The organization is similar to one already operating in the Caribbean region, also sponsored by the IFC. The Caribbean Project Development Facility in four years of existence has completed 38 projects in 18 countries.

More than 1,000 jobs have been created in such activities as hairpiece manufacturing in Haiti, shrimp production in Antigua and rice milling in the Netherlands Antilles.

The new African operation will complement activities recently undertaken by the International Monetary Fund and the World Bank to funnel another $5 billion into African countries that commit themselves to broad economic overhauls.

Sub-Saharan Africa includes some of the world's poorest countries. Twenty-five of the 44 countries have per capita incomes below $400 a year.

The countries, still plagued by food shortages, are all heavily in debt. The total debt of the region is $76 billion.

Currency Rates

[..]s Rates *May 26*

	$	£	D.M.	F.F.	II.L.	Gldr.	B.F.	S.F.	Yen
[..]rdam	2.5465	3.839	112.50 *	35.315 *	0.1441 *	——	5.509 *	135.75 *	151.25 y
[..]ls(a)	46.5825	69.46	20.4225	6.411	2.9785 *	18.156	——	24.441	27.44 *
[..]furt	2.2807	3.413	——	31.395 *	1.4585 x	88.90 *	4.898 *	120.44 *	1.3435 *
[..]n (b)					Closed				
	1,564.50	2,340.80	685.80	215.25	——	609.82	32.595	827.20	9.22
[..]ork(c)					Closed				
	7.266	10.8635	3.1859	——	4.6465 x	2.8325	15.605 *	3.8428	4.2835 *
	169.90	254.17	74.42	23.37	10.88 *	66.17	363.81 *	89.87	——
	1.8905	2.8273	82.89 *	26.015 *	8.1209 *	73.465 *	4.858 *	——	1.1137 *
	0.9445	0.6317	2.1539	6.8625	1,477.14	2.423	43.9885	1.7855	160.228
	1.15369	0.77351	N.Q.	N.Q.	N.Q.	2.9558	N.Q.	2.1805	195.204

[..]s in London and Zurich, fixings in other European centers. New York rates at 3 P.M. [..]mmercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one [..]) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available.

[..]r Dollar Values

[..]cy	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
[..]ustral	0.84	Fin. markka	5.243	Mex. peso	525.80	Soviet ruble	0.7115
[..] $	1.398	Greek drac.	142.20	Norw. krone	7.714	Span. peseta	144.30
[..]chil.	15.98	Hong Kong $	7.812	Phil. peso	20.00	Swed. krona	7.2725
[..]n. fr.	46.78	Indian rupee	12.63	Port. escudo	151.00	Taiwan $	38.29
[..]ruz.	13.77	Indo. rupiah	1,126.00	Saudi riyal	3.6505	Thai baht	26.385
[..]an $	1.3663	Irish £	0.7488	Sing. $	2.2275	Turkish lira	663.25
[..] yuan	3.2015	Israeli shek.	1.41	S. Afr. rand	2.2676	UAE dirham	3.673
[..] krone	8.45	Kuwaiti dinar	0.2959	S. Kor. won	886.60	Venez. boliv.	19.98
[..] pound	1.36	Malay. ring.	2.6305				

[..]: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nade Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); [..]k (ruble). Other data from Reuters and AP.

Interest Rates

[..]currency Deposits *May 26*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
[..]1	6 [illegible]-7 [illegible]	4½-4⅝	4 [illegible]-4 [illegible]	10⅛-10¼	7⅛-7¼	-	
[..]s	6 [illegible]-7 [illegible]	4½-4⅝	4 [illegible]-4 [illegible]	10 [illegible]-10 [illegible]	7⅛-7¼	-	
[..]s	6 [illegible]-7 [illegible]	4 [illegible]-4 [illegible]	4½-4⅝	10-10⅛	7⅛-7¼	n.a.	n.a.
[..]s	6 [illegible]-7 [illegible]	4 [illegible]-4 [illegible]	4⅜-4½	9⅞-10	7 [illegible]-7 [illegible]	-	
	7⅛-7¼	4 [illegible]-4 [illegible]	4 [illegible]-4 [illegible]	9⅝-9¾	7¼-7⅜	-	

[..]: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Money Rates *May 26*

[..]tates	Close	Prev.
[..]t Rate	6½	6½
[..] Funds	Clsd	6 13/16
[..]ate	8½	8½
[..]oan Rate	7¾	7¾
[..]er 90-179 days	Clsd	6.70
[..] Treasury Bills	—	6.15
[..] Treasury Bills	—	6.22
[..]9 days	—	6.50
[..]9 days	—	6.50
[..]many		
[..]t Rate	5.50	5.50
[..]t Rate	4.00	4.00
[..]th Interbank	4.65	4.65
[..] Interbank	4.65	4.65
[..] Interbank	4.65	4.65
[..]tion Rate	7¼	7¼
[..]ey	7¼	7¼
[..]th Interbank	7⅛	7⅛
[..]interbank	7⅛	7⅛
[..]nterbank	6 15/16	6 15/16
[..]e Rate	10	10
[..]y	Clsd	10
[..]easury Bill	—	9 9/16
[..]nterbank	—	9¾
[..] Rate	3½	3½
[..]y	4¼	4 3/16
[..]erbank	4⅝	4⅝

[..] Reuters, Commerzbank, Credit [..] Bank of Tokyo.

Asian Dollar Deposits *May 26*

1 month	6 [illegible] - 7 [illegible]
2 months	6 [illegible] - 7 [illegible]
3 months	6 [illegible] - 7 [illegible]
6 months	6 [illegible] - 7 [illegible]
1 year	7 [illegible] - 7 [illegible]

Source: Reuters.

U.S. Money Market Funds *May 23*

Merrill Lynch Ready Assets
30 day average yield: n.a.
Telerate Interest Rate Index: 6.679

Source: Merrill Lynch, Telerate.

Gold

May 26

	A.M.	P.M.	Ch'ge
Hong Kong	341.50	341.95	+ 0.75
Luxembourg	341.90	—	+ 0.65
Paris (12.5 kilo)	345.70	345.66	+ 3.17
Zurich	341.60	342.80	+ 0.70
London		Clsd.	
New York	—	Clsd.	

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

[..]rkets Closed

[..]ncial markets were closed Monday in the United States, Britain [..]azil for holidays.

Loan-Loss Rule Hurts Kuwaiti Banks' Profits

By Rory Channing
Reuters

KUWAIT — Kuwaiti banks have suffered a serious decline in profits as a result of central bank action to ensure they cover themselves against doubtful loans.

The banks have entered a fourth year of recession, caused by falling oil income and a slump in business and investment confidence attributed in part to the Iran-Iraq war.

They also are still trying to ride out a debt crisis brought on by a 1982 crash on local stock markets.

"The bubble has well and truly burst," said one banker, referring to the explosive growth enjoyed by local banks as a result of the 1970s oil boom, which boosted aggregate earnings from under 6 million dinars ($20 million at current rates) in 1972 to 88 million dinars a decade later.

Total assets grew from 880 million dinars to 10 billion dinars over the same period as local banks benefited from protectionist curbs on foreign banks operating in Kuwait.

But 1985 profits at the six commercial banks generally fell well short of 1984 levels and had mostly to be ploughed back into reserves against bad or doubtful debts.

Gulf Bank, for example, put aside all of its 18-million-dinar operating profit for provisions against doubtful loans, and Commercial Bank of Kuwait did likewise with 9.4 million dinars.

Only two of the five commercial banks to report 1985 results so far — National Bank of Kuwait and Alahli Bank of Kuwait — paid dividends. And only National Bank reported higher profit: 23 million dinars against 20.7 million dinars in 1984. Alahli's earnings fell 60 percent, to 3.9 million dinars.

The reverses stem from a new central bank directive on loan classification, and enactment of a tough formula under which banks must provide against loan defaults.

Outstanding loans are now estimated at around 4.2 billion dinars, down slightly from the 4.4 billion dinars estimated by Finance Minister Jassem al-Kharafi late last year. He said then that two-thirds of the debt was unsecured. Bad or doubtful loans total around 1.2 billion dinars, one leading banker said.

The central bank stipulated that banks must henceforth cover 15 percent of the unsecured portion of loans overdue by up to 180 days, 45 percent of loans overdue 180 days to one year, and 100 percent of those overdue more than a year.

"Despite fairly widespread concern about the ability of some banks to do this and survive, the crisis appears to have passed, at least for the moment," one Western diplomat said.

Banking sources said the government has reiterated its readiness to stand behind the banking industry, second in importance only to the state-owned oil sector.

Mr. Khorafi, for example, said government deposits would be available at concessionary terms to any bank that needed them to tide it over.

The central bank's loan-provision rule was followed this spring by resignations of some bank directors and moves by the government to install its representatives on boards of institutions in which it holds at least 10 percent.

Some directors are believed to have been big borrowers from their banks, and it was feared their problems would jeopardize the banks' efforts to enforce settlements with other customers.

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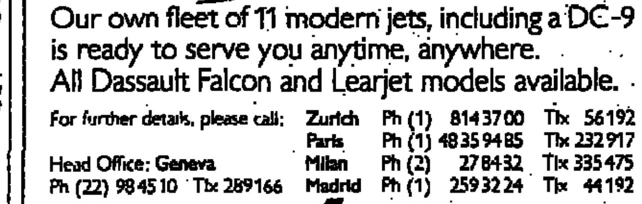

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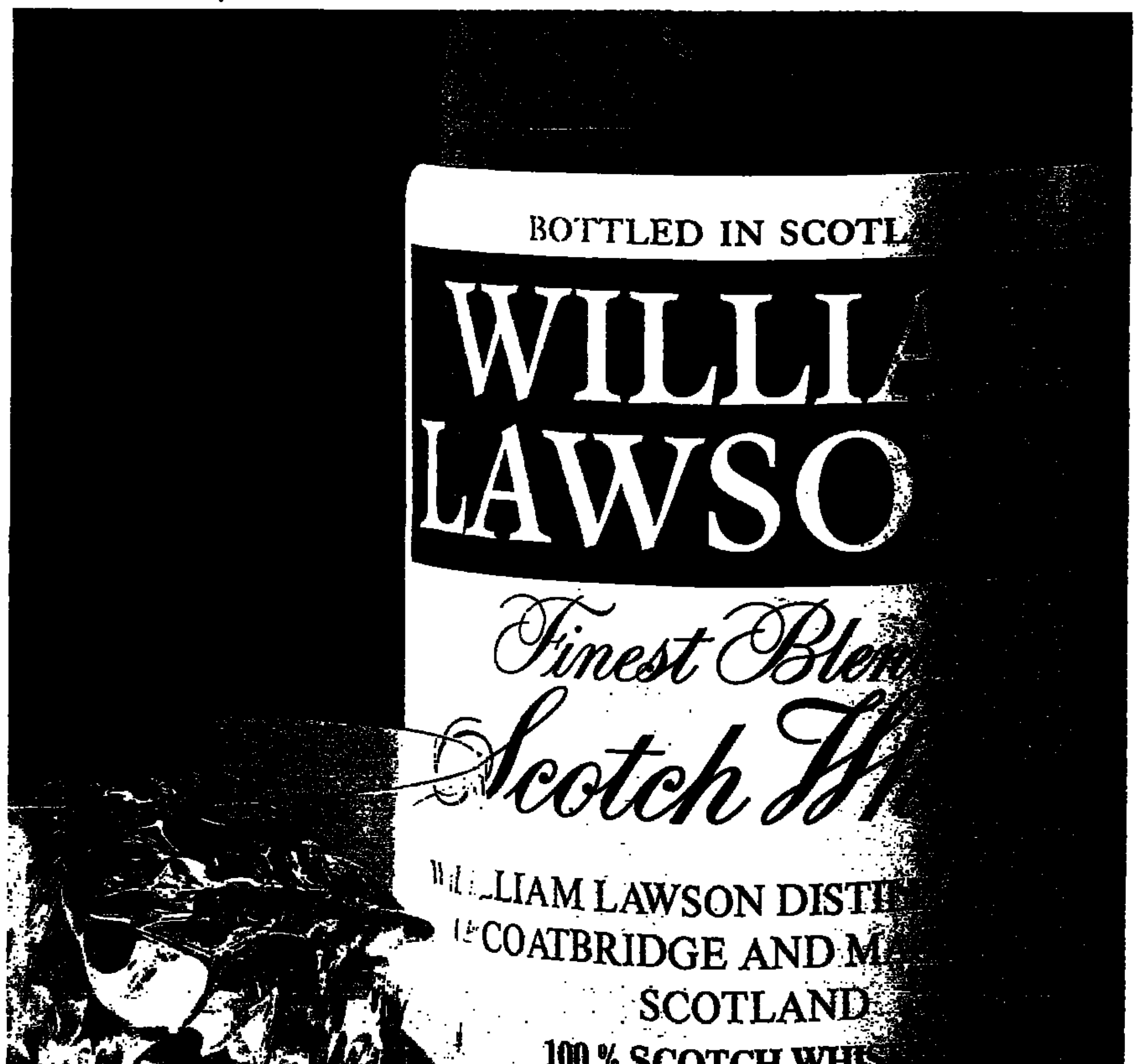
alg AEROLEASING GENEVA



The measure of excellence

BUSINESS ROUNDUP

Wah Kwong May Extend Debt Plan

Reuters

HONG KONG — Wah Kwong Shipping & Investment Co. has asked its creditors to extend an interim interest payment plan by 90 days after the plan's expiry on May 31, a source close to Wah Kwong said Monday.

He said Wah Kwong last week asked its 43 creditors for more time to finalize the long-term restructuring of the group's debt of about $850 million.

Under the interim plan, creditors agreed to release Wah Kwong's charter-hire revenues into a pool to ensure the group's operation for 50 days.

Wah Kwong and its financial adviser, Amex Asia Ltd., earlier this month presented a draft of the long-term plan, which includes a corporate reorganization, disposal of some ships to reduce its fleet to between 42 and 45 from 60, and partial conversion of the debt into Wah Kwong's equities.

After discussions, some creditors asked for more time. "There are the usual debates between secured and unsecured creditors but the main principles of the plan will survive," the source said.

The source said Wah Kwong expects to repay all its debts in about 15 years, but this is based on a conservative estimate of 2-percent annual growth in the world shipping market in that time.

The group is also seeking to fix the interest on repayments to avoid any adverse impact from rate fluctuations.

Wah Kwong's chairman, T.Y. Chao, and his family will not actively seek an outside partner to bail the group out of its financial difficulties, the source said. But bankers noted that Mr. Chao's total commitments will barely exceed $50 million.

Under the draft of the restructuring plan, Wah Kwong Shipping will become the ultimate holding company and absorb both debts and assets from the group's private companies, Wah Kwong & Co. and Venture Lines Ltd.

Although the draft respects the secured creditors' freedom to dispose of any mortgaged ships, Wah Kwong will arrange compensation for individual creditors to prevent sales that might hurt the group's operation, the source said.

Broken Hill Miners Refuse New Pact, Are Sent Home

Reuters

SYDNEY — The four major base-metal mines at Broken Hill were closed after underground miners refused to adopt new work practices, a senior mining company official said Monday.

Bryan Drew, general manager of three of the mines, operated by CRA Ltd., Zinc Corp. and New Broken Hill Consolidated Ltd., said the companies are prepared to wait until the miners change their minds. He cited a seven-and-a-half-week strike in 1984 when the miners went back after accepting recommendations made before the strike.

The companies ordered the workers to leave the mines after they refused to accept an award handed down by the New South Wales state industrial commission last week. The companies had failed to reach agreement with the unions on ending restrictive work practices.

The men, numbering about 1,000 of the mining work force of about 3,000, were directed by their unions not to sign the agreement after it was rejected by union meetings over the weekend, Mr. Drew said.

The mines, which produce nearly 40 percent of Australia's lead and about 30 percent of its zinc, are suffering continuing losses because of weak metal prices and low productivity.

Luxembourg Banking Profits Rose 27% in '85, Report Says

Reuters

LUXEMBOURG — Luxembourg bank profits rose sharply in 1985, although these growth rates are unlikely to be repeated in 1986, the Institut Monétaire Luxembourgeois said Monday.

The IML, Luxembourg's monetary authority, said in its annual report that pretax bank profits rose 27 percent, to 85.95 billion Luxembourg francs (about $1.84 billion at current exchange rates) in 1985, from 67.55 billion francs in 1984.

The IML said that it still was too early to detail banks' net profits and that comparisons were distorted because some banks had changed their reporting years in 1984, giving lower figures.

But even allowing for large risk provisions, it said that the banks' net profits for 1985 could be almost double those of the previous year. Luxembourg banks declared net profit of 10.53 billion francs in 1984.

"It can still be concluded that the profitability of Luxembourg banks saw a very favorable evolution in 1985," the IML said.

Operating profits rose to a record 117.21 billion francs, an increase of 23 percent from 94.60 billion francs in 1984. Net interest income rose 15 percent, to 94.87 billion francs from 82.07 billion francs in 1984, and commission earnings rose 78 percent, to 22.34 billion francs from 12.53 billion francs.

But the IML said certain factors that have aided banks in 1985 may not play the same role in 1986 — including the decline of the dollar and falling interest rates, which could lead to lower profit growth rates.

Annual growth of the total of Luxembourg bank balance sheets was 4.1 percent at end-1985, compared with 11.2 percent at the end of 1984. But taking into account exchange-rate movements, which are particularly important where foreign currencies account for 90 percent of the total, growth for the year was 13.4 percent, compared with 7.1 percent in 1984.

The IML said that the balance sheet total of all Luxembourg banks rose to 7.57 trillion francs at the end of March 1986 from 7.24 trillion francs at the end of February and 7.53 trillion francs at the end of March 1985.

Arco Gives Up Stake in Spanish Chemicals Firm

Reuters

MADRID — Atlantic Richfi[illegible] Co.'s Arco Chemical division [illegible] relinquished its 50-percent own[illegible] ship in the Spanish chemical c[illegible] pany Montoro SA to the o[illegible] owner, state-owned Empresa [illegible] cional del Petroleo SA, an [illegible] spokesman said Monday.

Montoro is Spain's sole producer of styrene, an ingredient in synthetic rubbers, resins and plastics, and propylene oxide, used chiefly in organic systhesis.

The stock transfer completed EMP's takeover of foreign holdings in its chemical group affiliates. It previously acquired stakes held by Imperial Chemical Industries PLC, Montedison Corp. and Phillips Petroleum NV in three chemical companies.

Those companies, Alcudia SA, Paular SA and Calatrava SA, were merged last August as part of a[illegible] industrial restructuring designed [illegible] enhance the competitiveness of [illegible] Spanish chemical processing in[illegible] try before the country joined [illegible] European Community on Jan. [illegible]

Sweden's Labor Unrest Spreads to Automakers

Reuters

STOCKHOLM — Sweden's largest blue-collar union threatened Monday to bring the country's auto industry to a standstill next week unless the engineering industry is granted a wage increase.

The 230,000-member metalworkers union served a strike notice on 19 of Sweden's biggest export companies amid growing labor strife in several Scandinavian countries. Spokesmen for Volvo AB and Saab AB said production would virtually be halted by the selective strikes, planned to begin June 3.

INVEST: *Profits in Currency Shifts*

(Continued from first finance page)

began to recover. Mr. Moser hedged his American portfolios by selling Deutsche marks forward when the West German currency was at about 2.25 to the dollar. Then, in early March, after the European Monetary System was realigned and there were signs that the French central bank was selling dollars, he closed out his position by selling the American currency forward at 2.35 marks, reaping a profit of 10 pfennigs per dollar. He resumed hedging his American portfolios in late April, in time to catch the dollar's recent rebound. "We believe that in the immediate future, the dollar is more likely to go up than down," he said.

Mr. Moser tends to keep the portions of his portfolio devoted to certain markets relatively stable. This runs counter to the philosophy of many international specialists, who try to bolster return by increasing the proportion of assets devoted to markets they expect to boom and cutting the share of funds in markets they expect to lag.

By contrast, Mr. Moser said ABD's approach stresses "industry and stock selection, not country selection." The portion of his international portfolio devoted to Japanese stocks, for example, has remained fairly constant over the last 12 months, varying from about 41 percent to 45 percent. By contrast, some American mutual funds specializing in foreign stocks have seen their exposure to the Japanese market go from as little as 20 percent to more than 40 percent in the same period.

Mr. Moser's sensitivity to the currency factor in the investment equation goes back to his experience in the late 1960s and early 1970s, when he was based in Germany for Dresdner. His duties included tracking foreign central bank policies.

He and his West German colleagues "learned our business when the mark was going up, up, up," he noted.

Asian Commodities

May 26

SINGAPORE GOLD FUTURES
U.S.$ per ounce

	High	Low	Settle	Prev. Settle
Jun	341.80	341.80	341.80	339.80
Aug	N.T.	N.T.	345.10	343.00
Sep	N.T.	N.T.	346.70	344.60

Volume: 1 lots of 100 oz.

KUALA LUMPUR RUBBER
Malaysian cents per kilo

	Close Bid	Close Ask	Previous Bid	Previous Ask
Jun	201.00	203.00	202.00	204.00
Jly	201.50	203.50	202.50	204.50
Aug	203.00	205.00	204.00	206.00
Sep	205.00	207.00	206.00	208.00

Volume: 0 lots.

SINGAPORE RUBBER
Singapore cents per kilo

	Close Bid	Close Ask	Previous Bid	Previous Ask
RSS 1 Jun	170.00	171.00	171.50	172.50
RSS 1 Jly	170.00	170.50	171.00	172.00
RSS 2 Jun	167.00	169.00	168.00	170.00
RSS 3 Jun	165.00	167.00	166.00	168.00
RSS 4 Jun	162.00	164.00	163.00	165.00
RSS 5 Jun	157.00	159.00	158.00	160.00

KUALA LUMPUR PALM OIL
Malaysian ringgits per 25 tons

	Close Bid	Close Ask	Previous Bid	Previous Ask
Jun	559.00	560.00	557.00	558.00
Jly	542.00	564.00	554.00	558.00
Aug	557.00	559.00	551.00	554.00
Sep	556.00	558.00	547.00	550.00
Oct	555.00	557.00	547.00	550.00
Nov	550.00	560.00	545.00	565.00
Jan	555.00	565.00	530.00	570.00
Mar	550.00	590.00	540.00	580.00
May	580.00	600.00	550.00	590.00

Volume: 101 lots of 25 tons.
Source: Reuters.

Paris Commodities

May 26

SUGAR
French francs per metric ton

	High	Low	Close Bid	Ask	Ch'ge
Aug	1,449	1,431	1,440	1,445	+1
Oct	N.T.	N.T.	1,472	1,480	−9
Dec	N.T.	N.T.	1,490	1,510	Unch.
Mar	N.T.	N.T.	1,530	1,540	−6
May	N.T.	N.T.	1,570	1,590	Unch.
Aug	N.T.	N.T.	1,605	1,625	−5

Est. vol.: 310 lots of 50 tons. Prev. actual sales: 677 lots. Open interest: 28,245

COCOA
French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
May	N.T.	N.T.	—	1,400	+10
Jly	N.T.	N.T.	1,355	—	+8
Sep	1,432	1,432	1,430	1,438	+11
Dec	1,459	1,459	1,455	1,469	+5
Mar	N.T.	N.T.	1,482	1,490	+8
May	N.T.	N.T.	1,490	1,505	+3
Jly	N.T.	N.T.	1,505	1,515	−2

Est. vol.: 2 lots of 10 tons. Prev. actual sales: 49 lots. Open interest: 165

COFFEE
French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
May	N.T.	N.T.	—	2,100	+45
Jly	N.T.	N.T.	—	2,180	−40
Sep	2,205	2,180	2,205	2,215	−35
Nov	N.T.	N.T.	2,220	2,260	−20
Jan	N.T.	N.T.	2,225	—	−10
Mar	N.T.	N.T.	2,235	—	−10
May	N.T.	N.T.	2,240	—	Unch.

Est. vol.: 16 lots of 5 tons. Prev. actual sales: 84 lots. Open interest: 1,028
Source: Bourse du Commerce.

COMPANY NOTES

Allianz Lebensversicherungs AG, West Germany's leading life insurer, expects good operating results this year after boosting new business 7.6 percent in the first four months, the management board chairman, Uwe Haasen, said.

British Telecommunications PLC will be listed on the Tokyo Stock Exchange from May 30, the exchange said. The company will become the 26th foreign company on the exchange following the listing of Procter & Gamble Co., scheduled for May 28.

FAI Insurances Ltd. has become the first Australian company to be listed on the Stock Exchange of Singapore, and said it may also seek a listing on the Hong Kong Stock Exchange. FAI is Australia's 35th largest corporation.

Hongkong & Kowloon Wharf & Godown Co. has extended the closing date of its offer of 51 Hong Kong cents (6.5 cents) for each share of Hotel Marco Polo Ltd. by a further three days to May 29, Wardley Ltd. said on behalf of Hongkong Wharf.

Ishikawajima-Harima Heavy Industries Co. reported net profit of 4.75 billion yen ($28 million) in 1985-86, down 45.3 percent from a year earlier, on sales of 800.09 billion yen, down 0.2 percent. Mitsuo Watanabe, managing director, said the company may make a current account loss in the year ending March 31, 1987, because of low profitability in shipbuilding and the yen's appreciation against the dollar.

Klein Schanzlin & Becker AG, a pump manufacturer based in Frankenthal, West Germany, said it had bought more than 90 percent of France's Etablissement Pompes Guinard SA from Moteurs Leroy-Somer SA for 190 million French francs ($26.17 million).

Liquid Air Wins Contract

Reuters

PARIS — L'Air Liquide of France said Monday its U.S. subsidiary, Liquid Air Corp., has signed a long-term contract with Texas Instruments Inc. for the supply of gases. It gave no value.

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 26 MAY 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (I) - irregularly.

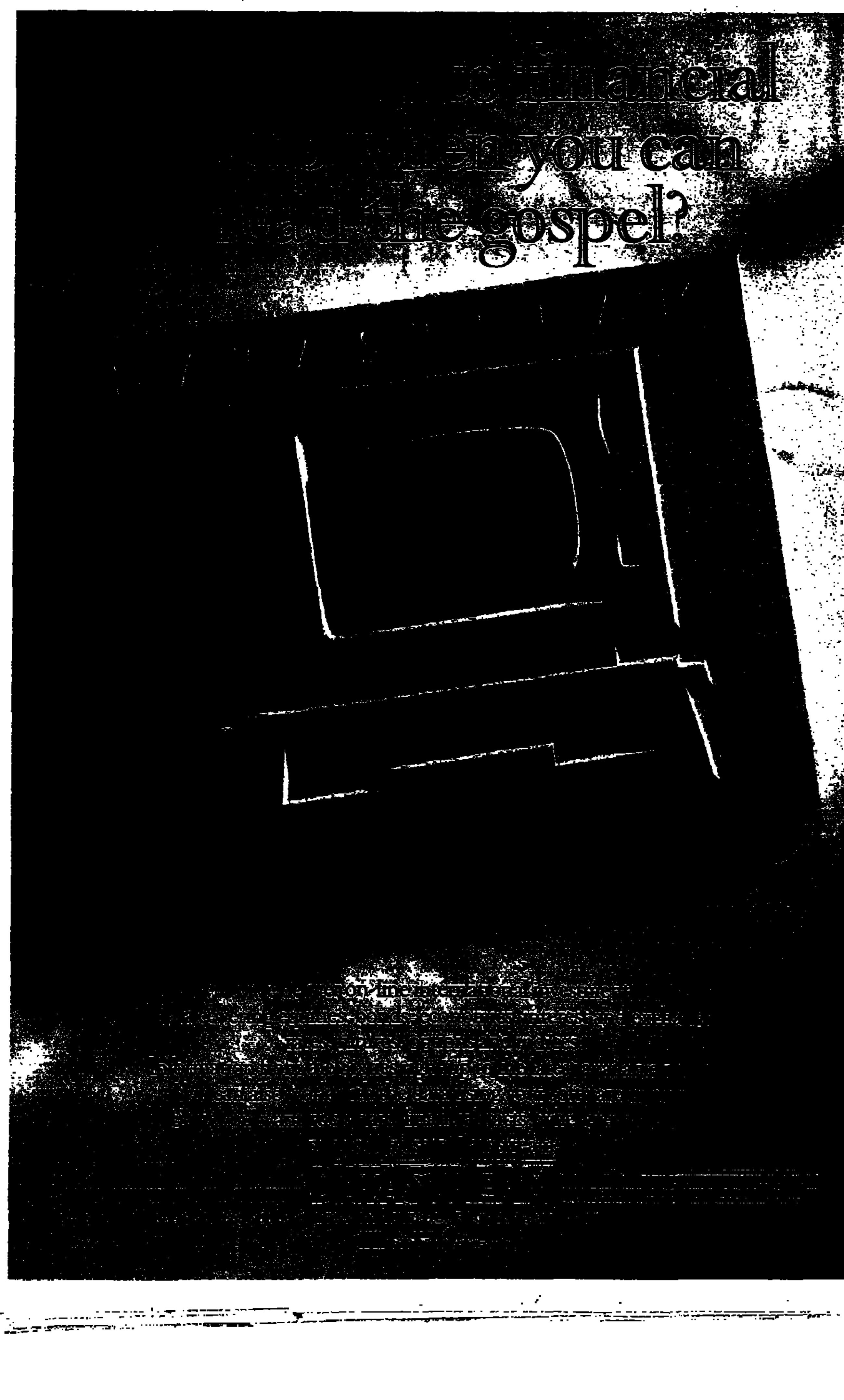
AL MAL MANAGEMENT		
-(w) Al-Mal Trust, S.A.	$	231.42
BANK JULIUS BAER & CO. Ltd.		
-(d) Baerbond	SF	938.50
-(d) Conbar	SF	1478.80
-(d) Equibaer America	$	1336.00
-(d) Equibaer Europe	SF	1631.00
-(d) Equibaer Pacific	SF	1328.00
-(d) Grobar	SF	1222.00
-(d) Stockbar	SF	1910.00
BAII MULTICURRENCY		
-(r) Multicurrency US$	$	1074.70
-(r) Multicurrency Ecu	ECU	1053.41
-(r) Multicurrency Yen	YEN	196,194.00
BNP INTERFUNDS		
-(w) Interbond Fund	$	150.92*
-(w) Intercurrency US$	$	10.54
-(w) Intercurrency DM	DM	30.61
-(w) Intercurrency Sterling	£	10.48
-(w) Interequity Pacific Offer	$	14.91
-(w) Interequity N. Amer. Offer	$	11.35
BANQUE INDOSUEZ		
-(d) Asian Growth Fund	$	15.81
-(w) Diverbond	SF	86.35
-(w) FIF-America	$	20.33
-(w) FIF-Europe	$	23.73
-(d) FIF-International	$	14.57
-(w) FIF-Pacific	$	27.52
-(d) Indosuez Multibonds A	$	125.92
-(d) Indosuez Multibonds B	$	219.97
-(d) Indosuez USD (M.M.F)	$	1075.58
BRITANNIA, POB 271, St. Helier, Jersey		
-(w) Brit.Dollar Income	$	0.924
-(w) Brit.$ Manag.Curr.	$	11.78
-(d) Brit. Int'l.$ Manag.Portf	$	1.459*
-(d) Brit. Int'l.£ Manag.Portf	£	1.459*
-(w) Brit. Am. Inc. & Fd Ltd	$	1.280
-(w) Brit.Gold Fund	£	0.690
-(w) Brit.Manag.Currency	£	15.88
-(d) Brit. Japan Dir Perf. Fd	£	2.831
-(w) Brit.Jersey Gilt Fund	£	0.236*
-(d) Brit. World Leis. Fund	$	1.541
-(d) Brit. World Techn. Fund	$	1.013
BROADGATE INTERNATIONAL FUND		
-(d) $ Money Market	$	10.37
-(d) Non-$ Money Market	DM	26.21
-(w) $ Bond	$	10.79
-(w) Non-$ Bond	DM	27.33
-(w) Global Equity	$	11.92
-(w) Global Bond	$	9.85
-(w) Global Bond & Equity	$	9.84
CAPITAL INTERNATIONAL		
-(w) Capital Int'l Fund	$	58.17
-(w) Capital Italia S.A.	$	33.72
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citinvest Ecu	ECU	1086.34
(d) Citinvest Liquidity	$	1048.34
CREDIT SUISSE (ISSUE PRICES)		
-(d) Actions Suisses	SF	517.75
-(d)(s15u) Bond Valor Swf	SF	107.90
-(d) Bond Valor D-mark	DM	112.04
-(d) Bond Valor US-DOLLAR	$	123.87
-(d) Bond Valor Sterling	£	108.76
-(d) Bond Valor Yen	Yen	10,656.00
-(d) Convert Valor Swf	SF	139.90
-(d) Convert Valor US-DOLLR	$	152.78
-(d) Canasec	SF	662.00
-(d) CS Fonds-Bonds	SF	80.00
-(d) CS Fonds-Int'l	SF	130.50
-(d) CS Gold Valor	$	96.89
-(d) CS Money Market Fund	$	1142.62
-(d) CS Money Market Fund	DM	1083.77
-(d) CS Money Market Fund	£	1104.60
-(d) CS Money Market Fd Yen	Y	102942.00
-(d) Energie-Valor	SF	148.75
-(fs15ud) Ussec	SF	840.00
-(d) Europa-Valor	SF	208.50
-(d) Pacific-Valor	SF	196.25
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01 9209797)		
-(w) Finsbury Grou Ltd.	$	147.51
-(m) Winchester Diversified	$	25.65*
-(m) Winchester Financial Ltd.	$	10.56
-(m) Winchester Frontier	$	146.47
-(w) Winchester Holdings	FF	112.69
	$	12.83
-(m) Winchester Recovery Ltd.	$	109.31
-(w) Worldwide Securities	$	65.29
-(w) Worldwide Special	$	2364.17
DIT INVESTMENT FFM		
-(d) Concentra	DM	37.25
-(d) Int'l Rentenfond	DM	86.84
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St., St. Helier: 0534-36331		
TRADED CURRENCY FUND.		
@(d) Inc.: Bid $ 11.71 Offer	$	12.081*
@(d) Ca.: Bid $ 13.89 Offer	$	14.327
INTERNATIONAL INCOME FUND		
-(d) Short Term 'A' (Accum)	$	1.5395
-(d) Short Term 'A' (Distr)	$	1.0083
-(d) Short Term 'B' (Accum)	$	1.4084
-(d) Short Term 'B' (Distr)	$	1.0267

-(w) Long Term	$	28.41
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pounty Hill, EC4. 01-623-4680		
-(w) F&C Atlantic	$	17.09
-(w) F&C European	$	25.74
-(w) F&C Oriental	$	42.28
FIDELITY POB 670, Hamilton Bermuda		
-(m) Fid. Amer. Val.II Com.	$	64.31
-(m) Fid. Amer. Val.II Cum.Pref.	$	101.58
-(m) Fid. Amer. Val.III Com.	$	22.38
-(m) Fid. Amer. Val.III Cum Pref.	$	101.63
-(d) Fidelity Amer. Assets	$	96.71
-(d) Fidelity Australia Fund	$	12.63
-(d) Fidelity Discovery Fund	$	13.38
-(d) Fidelity Dir. Svgs.Tr.	$	132.64
-(d) Fidelity Far East Fund	$	35.77
-(d) Fidelity Int'l. Fund	$	107.43
-(d) Fidelity Orient Fund	$	49.59
-(d) Fidelity Frontier Fund	$	18.40
-(d) Fidelity Pacific Fund	$	197.92
-(d) Fidelity Spcl. Growth Fd.	$	20.90
-(d) Fidelity World Fund	$	52.75
FORBES PO B887 GRAND CAYMAN		
London Agent 01-839-3013		
-(w) Dollar Income	$	7.77
-(w) Forbes High Inc. Gilt Fd	£	96.10*
-(w) Gold Income	$	8.16
-(w) Gold Appreciation	$	4.70
-(m) Strategic Trading	$	1.60
GEFINOR FUNDS		
-(w) East Investment Fund	$	597.66
-(w) Scottish World Fund	£	164.08
-(w) State St. American	$	203.89
London: 01-491-4230, Geneva: 41-22355530		
GLOBAL ASSET MANAGEMENT CORP.		
PB 119, St Peter Port, Guernsey, 0481-28715		
-(w) FuturGAM S.A.	$	147.02
-(w) GAM Arbitrage Inc	$	174.38
-(w) GAMerica Inc	$	199.58
-(w) GAM Australia Inc	$	102.73
-(w) GAM Boston Inc	$	145.93
-(w) GAMbit Fund Inc	$	95.56
-(w) GAM Ermitage	$	21.12
-(w) GAM Ermitage Int. Inc	$	10.65
-(w) GAM Franc-val	SF	148.01
-(w) GAM France Inc	FF	1083.59
-(w) GAM Global Fund	$	180.00
-(w) GAM Hong Kong Inc	$	104.89
-(w) GAM International Inc	$	187.79
-(w) GAM Japan Inc	$	194.89
-(w) GAM North America Inc	$	145.36
-(w) GAM N.Am. Unit Trust Inc		121.60* p
-(w) GAM N.Am. Unit Trust Accum.		126.35 p
-(w) GAM Pacific Inc	$	202.87
-(w) GAM Pens. & Char. Worldw.		142.20 p
-(w) GAM Pens. & Char. U.K. Fd		127.50 p
-(w) GAMrict	$	136.89
-(w) GAM Singapore/Malay Inc	$	79.86
-(w) GAM Sterl & Intl Unit Trust		197.95*
-(w) GAM Worldwide Inc	$	252.68
-(w) GAM Tyche S.A. Class A	$	155.66
-(w) GAMtrends Inc	$	114.56
-(w) GSAM Composite Inc	$	127.69
-(w) GSAM Int. Inc. U.S Ord	$	121.53
-(w) GSAM Interest Inc. U.S Spe	$	114.41
-(w) GSAM Interest Inc	$	105.82
-(w) GSAM Interest Inc	Yen	10,567
-(w) GSAM Interest Inc	DM	105.33
-(w) GSAM Interest Inc	£	115.17
-(w) GSAM Interest Inc	FF	1001.90
G.T. MANAGEMENT (UK) Ltd.		
-(d) Berry Pac. Fd.Ltd.	$	16.61
-(d) G.T. Applied Science	$	15.86
-(d) G.T. Asean H.K. Gwth.Fd	$	11.87
-(d) G.T. Asia Fund	$	5.67
-(d) G.T. Australia Fund	$	27.18
-(d) G.T. Europe Fund	$	21.25
-(w) G.T. Euro. Small Cos. Fund	$	22.86
-(d) G.T. Dollar Fund	$	19.34
-(d) G.T. Bond Fund	$	15.20
-(d) G.T. Global Technology Fd	$	17.04
-(d) G.T. Honshu Pathfinder	$	49.16
-(d) G.T. Investment Fund	$	29.00
-(w) G.T. Japan Sml Co.Fd	$	71.87
-(r) G.T. Technology Fund	$	28.59
-(d) G.T. South China Fund	$	16.09
HILL SAMUEL INVEST. MGMT. INTL. S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
-(d) Crossbow (Far East)	SF	12.58
-(d) CSF (Balanced)	SF	29.27
-(d) European Equity Fund	DM	15.40
-(d) Intnl. Bond Fund	$	11.52
-(d) Int. Currency U.S.	$	27.79
-(d) ITF Fd (Technology)	$	18.03
-(d) O'Seas Fd (N. AMERICA)	$	36.21
JARDINE FLEMING, POB 70 GPO Hg Kg		
-(r) J.F Currency&Bond	$	17.29
-(r) J.F Hong Kong Trust	$	40.70
-(r) J.F Pacific Income Trust	Y	44.54
-(r) J.F Japan Trust	Y	6608
-(r) J.F Japan Technology	Y	23,493
-(r) J.F Pacific Sec.S.(Acc)	$	12.58

LLOYDS BANK PLC, POB 438, Geneva 11		
-+(w) Lloyds Int'l Dollar	$	119.20
-+(w) Lloyds Int'l Europe	SF	154.40
-+(w) Lloyds Int'l Growth	SF	199.30
-+(w) Lloyds Int'l Income	SF	314.50
-+(w) Lloyds Int'l N. America	$	131.25
-+(w) Lloyds Int'l Pacific	SF	162.10
-+(w) Lloyds Int'l. Smaller Cos	$	17.67
NIMARBEN		
-(d) Class A	$	112.50
-(w) Class B - U.S.	$	162.03
-(w) Class C - Japan	$	143.68
OBLIFLEX LIMITED		
-(w) Multicurrency	$	15.83
-(w) Dollar Medium Term	$	12.39
-(w) Dollar Long Term	$	13.64
-(w) Japanese Yen	$	17.67
-(w) Poud Sterling	£	12.60
-(w) Deutsche Mark	DM	11.52
-(w) Dutch Florin	FL	11.20
-(w) Swiss Franc	SF	10.40
-(w) Swiss Multicurrency	SF	11.06
-(w) European Currency	ECU	11.33
-(w) French Franc	SF	9.89
ORANGE NASSAU GROUP		
PB 85578, The Hague (070) 469670		
-(d) Bever Beleggingen++	$	32.60
PARISBAS-GROUP		
-(d) Cortexa International	$	115.73
-(w) ECUPAR	ECU	1122.95
-(w) OBLI-DM	DM	1327.64
-(w) OBLIGESTION	SF	94.10
-(w) OBLI-DOLLAR	$	1246.25
-(w) OBLI-YEN	Y	1121.299
-(w) OBLI-GULDEN	FL	1104.71
-(d) PAROIL-FUND	$	91.34
-(d) PAREUROPE GROWTH	$	15.72
-(d) PARINTER FUND	$	166.08
-(d) PARINTER BOND FUND	$	11.79
-(d) PAR US Treas. Bond 'Cl. B'	$	127.87
PUTNAM		
-(d) Emerging Hlth Sc. Trust	$	13.93
(w) Putnam Em. Info. Sc. Tr.	$	10.87
(d) Putnam Int'l Fund	$	101.29
ROYAL B. CANADA, POB 246, GUERNSEY		
-+(w) RBC Canadian Fund Ltd.	$	13.82
-+(w) RBC Far East&Pacific Fd.	$	17.55
-+(w) RBC Int'l Capital Fd.	$	36.90
-+(w) RBC Int'l Income Fd.	$	12.16*
-+(d) RBC Man.Currency Fd.	$	29.91
-+(w) RBC North Amer. Fd.	$	13.09
SKANDIFOND INTL FUND (46-8-236270)		
-(w) Inc.: Bid $ 8.57* Offer	$	9.14*
-(w) Acc.: Bid $ 8.70 Offer	$	9.28
SKANDIFOND CAPITAL LTD (46-8-236270)		
-(w) Accu. Bond Fd. Bid $5.92 Offer	$	6.18
SKANDIFOND LIMITED (46-8-236270)		
-(w) Income Bond Fd. Bid $5.93 Offer	$	6.18
SVENSKA INTERNATIONAL LTD.		
17 Devonshire Sq., London-01-377-8040		
-(r) SHB Bond Fund	$	28.48
-(w) SHB Intl Growth Fund	$	38.57
SWISS BANK CORP. (ISSUE PRICES)		
-(d) America-Valor	SF	533.25
-(d) D-Mark Bond Selection	DM	121.18
-(d) Dollar Bond Selection	$	140.75
-(d) Florin Bond Selection	FL	125.67
-(d) Intervalor	SF	93.50
-(d) Japan Portfolio	SF	1324.00
-(d) Sterling Bond Selection	£	111.29
-(d) Swiss Foreign Bond Sel	SF	110.81
-(d) Swissvalor New Series	SF	429.25
-(d) Universal Bond Select.	SF	81.50
-(d) Universal Fund	SF	130.87
-(d) Yen Bond Selection	Y	10786.00
THORNTON MANAGEMENT LTD		
(d) The Establishment Trust	$	1.46
(d) Thornton Australia Fd Ltd	$	11.82
(d) Thornton HK & China	$	10.68
(d) Thornton Japan Fund Ltd	$	17.16
(d) Thornton Orient.Inc. Fd Ltd	$	13.09
(d) Thornton Phil. Redev. Fd.	$	10.16
(d) Thornton Tiger Fund Ltd.	$	10.15
(d) Thornton Pacific Tech. Fd Ltd.	$	9.86
UNION BANK OF SWITZERLAND		
-(d) Bond-Invest	SF	65.50
-(d) DM-Invest bonds	DM	231.80
-(d) ESPAC Spanish sh	SFr	130.00
-(d) Francit French Sh	SFr	296.50
-(d) Fonsa Swiss Sh.	SF	201.50
-(d) Germac German Sh	SFr	205.00
-(d) ITAC Italian sh	SFr	331.50
-(d) SFr.-Invest bonds	SFr	215.50
-(d) Sima (stock price)	SF	216.50
-(d) Yen-Invest bonds	SFr	999.50
UNION INVESTMENT Frankfurt		
-(d) Unirenta	DM	43.10
-(d) Unifonds	DM	32.50
-(d) Unirak	DM	87.95
-(d) UNIZINS	DM	113.15
Other Funds		
(w) Actibonds Investments Fund	$	31.48
(w) Acticroissance	$	102.93
(r) Actifinance Intl	$	1000.39
(w) Activest Intl	$	13.43
(w) Aquila International Fund	$	261.86

(r) Arab Finance I.F.	$	[illegible]
(r) Ariane	$	[illegible]
(d) Asia Pac. Growth Fd N.V.	$	[illegible]
(b) Bias Saudi Bond Fund	$	[illegible]
(w) Bondselex-Issue Pr.	SF	[illegible]
(m) Canada Gtd-Mortgage Fd	$	[illegible]
(d) Capital Preserv. Fd. Intl.	$	[illegible]
(w) Citadel Fun	$	[illegible]
(w) Citirust US $ Equities	$	[illegible]
(m) Cleveland Offshore Fd.	$	[illegible]
(w) Columbia Securities	FL	[illegible]
(r) COMETE	$	[illegible]
(w) Convert. Fd. Int'l A Certs	$	[illegible]
(w) Convert. Fd. Int'l B Certs	$	[illegible]
(w) Cumber Intl N.V.	$	[illegible]
(w) Daiwa Japan Fund	Y	[illegible]
(w) D.G.C.	$	[illegible]
-(d) Dollar-Baer bond Fd	$	[illegible]
-(d) D-mark-Baer Bond Fd	DM	[illegible]
(d) D. Witter Wld Wide Ivt Tst.	$	[illegible]
(r) Drakkar Invest.Fund N.V.	$	[illegible]
(d) Dreyfus America Fund	$	[illegible]
(d) Dreyfus Fund Int'l.	$	[illegible]
(w) Dreyfus Intercontinent	$	[illegible]
(d) Europe Obligations	Ecu	[illegible]
(w) First Eagle Fund	$	[illegible]
(r) Fifty Stars Ltd.	$	[illegible]
(w) Fixed Income Trns.	$	[illegible]
(w) Fonselex Issue Pr.	SF	[illegible]
(w) Forexfund	$	[illegible]
(w) Formula Selection Fd.	SF	[illegible]
(d) Fonditalia	$	[illegible]
(d) Frankf-Trust Interzins	DM	[illegible]
(w) George V INV. BOND F.	$	[illegible]
(d) Governm. Sec. Fund*	$	[illegible]
(w) Haussmann Hldgs. N.V.	$	[illegible]
(w) Hestia Funds	$	[illegible]
(w) Horizon Fund	$	[illegible]
(m) IBEX Holdings Ltd.	SF	[illegible]
(r) ILA-IGB (30/04)	$	[illegible]
(r) ILA-IGS (30/04)	$	[illegible]
(r) IncAmerica N.V.	$	[illegible]
(d) Interfund SA	$	[illegible]
(w) Intermarket Fund	$	[illegible]
(d) Intermining Mut. Fd. Cl.'B'	$	[illegible]
(d) Intermining Mut. Fd. Cl.'C'	$	[illegible]
(r) Int'l Securities und.	$	[illegible]
(d) Investa DWS	DM	[illegible]
(r) Invest Atlantiques	$	[illegible]
(r) Italfortune Int'l Fund SA	$	[illegible]
(w) Japan Selection Fund	$	[illegible]
(w) Japan Pacific Fund	$	[illegible]
(m) Jeffer Ptns. Intl. Ltd.	$	[illegible]
(d) Kleinwort Benson Int'l Fd.	$	[illegible]
(w) Kleinwort Bens. Jap. Fd.	$	[illegible]
(w) Korea Growth Trust	KW	[illegible]
	$	[illegible]
(d) Leicom Fund	$	[illegible]
(w) Leverage Cap Hold	$	[illegible]
(d) Liquibaer	$	[illegible]
(w) Luxfund	$	[illegible]
(d) Mediolanum Sel. Fd.	$	[illegible]
(r) Meteore	Y	[illegible]
(w) NAAT	$	[illegible]
(d) Nikko Growth Package Fd.	$	[illegible]
(w) Nippon Fund	$	[illegible]
(d) NM Income & Growth Fund	$	[illegible]
(m) NOSTEC Portfolio	$	[illegible]
(w) Novotec Investment Fund	$	[illegible]
(m) NSP F.I.T.	$	[illegible]
(d) Pacific Horizon Invt. Fd.	$	[illegible]
(w) PANCURRI Inc.	$	[illegible]
(m) Permal Spec. Opp.		[illegible]
(r) Permal Value N.V.	$	[illegible]
(r) Pleiades	$	[illegible]
(r) Pri-Tech	$	[illegible]
(w) Quantum Fund N.V.	$	[illegible]
(d) Renta Fund	LF	[illegible]
(d) Rentinvest	LF	[illegible]
(d) Reserve Insured Deposits	$	[illegible]
(w) Rudolf Wolff Fut Fd Ltd	$	[illegible]
(w) Samurai Portfolio	SF	[illegible]
(d) SCI/Tech. SA Luxembourg	$	[illegible]
(w) Seven Arrows Fund N.V.		[illegible]
(w) Strategy Investment Fund	$	[illegible]
(d) Syntax Ltd.'(Class A)'	$	[illegible]
(w) Target Fund		[illegible]
(w) Techno Growth Fund	SF	[illegible]
(w) Tokyo Pac. Hold. (Sea)	$	[illegible]
(w) Tokyo Pac. Hold. N.V.	$	[illegible]
(w) Transpacific Fund	$	[illegible]
(w) Trans Europe Fund	F[illegible]	[illegible]
(d) Turquoise Fund	$	[illegible]
(w) Tweedy,Browne n.v.ClassA	$	[illegible]
(w) Tweedy,Browne n.v.ClassB	$	[illegible]
(m) Tweedy,Browne (U.K.) n.v.	$	[illegible]
(d) UNICO Fund	DM	[illegible]
(d) UNI Bond Fund	$	[illegible]
(r) UNI Capital Fund	$	[illegible]
(d) Univers Bonds	Dm	[illegible]
(d) US Federal Securities	$	[illegible]
(w) Vanderbilt Assets	$	[illegible]
(w) Willerbond Capital	$	[illegible]
(d) World Fund S.A.	$	[illegible]

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bi[illegible] P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index Decem[illegible] Redempt- Price- Ex-Coupon; ** - Formerly Worldwide Fund Ltd; @ - Offer Price incl. 3% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange



Credito Italiano 1985

The Accounts for the year ending December 31, 1985, which closed with a net profit of Lit 94.8 billion, were approved at the Shareholders Meeting. In view of these positive results - Lit 6 billion over the net profit registered in 1984 - it was decided to increase the dividend paid, from Lit 85 to Lit 90 per share, and to assign Lit 37 billion to reserves. Lit 330 billion was set aside for depreciation and allocations as against Lit 314 billion last year.

Main year-end Balance Sheet data:

	(billion lire)
SHAREHOLDERS' FUNDS (on approval of the Accounts)	2,027
DEPOSITS	50,082
TOTAL LOANS	41,463
TOTAL ASSETS (net of Engagements, Contingent Liabilities and Cross Accounts)	55,647

The Board of Directors and the Board of Auditors are made up as follows, after the latter was nominated at the Shareholders' Meeting:
Board of Directors
Chairman: Alberto Boyer; Deputy Chairmen: Leo Solari, Sergio Forenti;
Managing Directors: Lucio Rondelli, Pier Carlo Marengo;
Directors: Giovanni Agnelli, Enrico De Mita, Umberto Granati, Pietro Rastelli, Mario Rivosecchi, Francesco Romano, Antonino Terranova, Victor Uckmar.
Board of Auditors - Chairman: Giorgio Dellacasa;
Auditors: Giorgio Arena, Aldo De Chiara, Alfredo Parisi, Donato Ventura;
Alternate auditors: Michele Palasciano, Giacomo Salvemini.

The dividend may be collected from May 19, 1986, against presentation of share certificate coupon No. 29, at any branch of Credito Italiano, the Banca Commerciale Italiana, Banco di Roma, Banca Nazionale del Lavoro, Banco di Napoli, Banco di Sicilia, Istituto Bancario San Paolo di Torino, Monte dei Paschi di Siena, Banco di Santo Spirito, Banco di Sardegna as well as from Monte Titoli S.p.A.

Credito Italiano

هكذا في الأصل

UTURES AND OPTIONS

FTC Again Focuses on Leverage

By James L. Rowe Jr.
Washington Post Service

WASHINGTON — The Com- dity Futures Trading Commis- n, state securities regulators and Senate Agriculture Committee nt to put Monex International l. out of the leverage business.

But Monex and International cious Metals Corp., the only companies left in the arcane iness of leverage, have found an in the House Agriculture Com- tee. The House panel not only ned down the trading commis- 's most recent request to kill rage — Congress has rejected ilar requests twice before — but approved a measure that in years would end a moratorium new entrants into the leverage iness.

he leverage industry permits in- ors to speculate on the future es of precious metals without ing or selling futures contracts are traded on a regulated ex- ge. Leverage contracts are the futures products that legally be traded off the floor of an change.

he industry gets its name be- e a small down payment allows vestor to control a commodity several times as much, just as er increases an individual's ty to lift objects.

or a small down payment, cus- rs gain the right to control a in amount of, say, gold for 10 s. On a contract in which the mer agrees to pay $10,000 for cific quantity of gold, the cus- tomer may put $2,000 down and borrow the rest from the leverage firm, using the gold as collateral.

The investor hopes that the price of the gold he controls rises enough above $10,000 to cover the commissions, maintenance charges and interest paid the leverage firm.

Susan M. Phillips, chairman of the CFTC, said that there is no justification for continuation of the leverage industry, which the agency finally began to regulate two years ago.

She said that she, like the House committee, is uncomfortable with the near-monopoly that the agency created when it barred new leverage firms in 1978. But she said she is more concerned that allowing new firms to enter would invite a massive increase in fraudulent operators that neither the states nor the CFTC are equipped to police.

For a little-known industry that has only two legally active companies and probably no more than 14,000 customers, leverage generates an outsized amount of controversy in the commodity trading field. It also commanded an enormous share of attention during the Senate and the House committees' recent hearings on the regular reauthorization of the Commodity Futures Trading Commission.

Opponents of the leverage industry say that it is an aberration, that what it sells is indistinguishable from futures contracts that Congress for decades has declared should be traded on regulated exchanges such as the Chicago Board of Trade or the New York Commodity Exchange.

Furthermore, they say that off-exchange trading is a breeding ground for fraud. Ms. Phillips said that the mere existence of a handful of legal off-exchange firms spawns illegal look-alikes who do not have the capitalization requirements or the customer-protection rules required of regulated firms.

Many investors can be led to believe that the firms are regulated and, by the time underfunded and understaffed state regulators take action, many people can be bilked.

Proponents say that leverage offers smaller investors the same chance to speculate on commodities — mainly precious metals — that bigger investors have on futures exchanges.

Critics complain that the typical leverage contract is indistinguishable from the futures contract except in ways that benefit the leverage firm. For example, it is the leverage firm that decides the current price of the metal. In a futures contract, the metal's price is determined by open bidding on the exchange floor.

"The only place to sell the gold is back to the people you bought it from, and they are the ones who set the price," according to one CFTC commissioner, Kalo A. Hineman who, like Ms. Phillips, is an opponent of the leverage business.

Greg Walker, vice president and general counsel for Monex, said that leverage contracts have evolved from financing purchases of specific bags of silver coins to transactions that today are similar to standard futures contracts.

But Mr. Walker said that there are differences between leverage and futures contracts. Leverage firms are required to have at least 90 percent of the metal under contract coveted by the physical commodity or futures or forward contracts in the metal. The dealer has to have at least 25 percent of the amount under contract in physical inventory.

Furthermore, he said, a customer can pay the total price of the contract and take delivery of the metal at any time. In a futures contract, the customer must wait until a specific delivery date and can take delivery only at a handful of specified warehouses.

Few futures or leverage contracts actually are settled by delivery of the underlying commodity. But Mr. Walker said that about half of Monex's customers — who represent a far smaller fraction of total contracts outstanding — actually take delivery.

For a long time, leverage firms were the source of an outsized number of customer complaints at the CFTC. Since the commission imposed regulations on the industry two years ago, the level of complaints has dropped. So has the number of firms.

Ms. Phillips is merely the latest in a series of commodity regulators who have tried to eliminate leverage.

In 1978, the four-year-old CFTC, up for its first reauthorization, tried to give back jurisdiction over leverage to the Securities and Exchange Commission, where it had rested until 1974. Instead, Congress ordered the CFTC to write a set of regulations to govern the leverage business and then enforce those regulations.

RÈRE: *Global Expansion*

(ntinued from first finance page)

role of an American-style self- e man.

the steel sector, Mr. Frère his empire by taking small s in different producers and ng exclusive marketing rights eir output. Most of his profit from marketing the products d of making them. And when teel sector began its dive in the s, Mr. Frère used his sales and convincing personality to out with a tidy profit.

t as Mr. Frère moves deeper the financial world, some es warn that the attributes elped him as a steel salesman l hurt him as a financier. "He too much and too soon," the European executive said.

wever, Mr. Frère's move on — and his subsequent man- ent of it — has proved to be a r in his cap. Backed by Par- nd other investors, Mr. Frère it a controlling stake in GBL 12 and was named co-manag- rector of the troubled compa- nce then, GBL has whittled its sizable debt and evolved n aggressive concern that re- d record consolidated earn- n 1985 of 5.4 billion Belgian ($116 million), more than 30 t higher than a year earlier.

e are ready to buy profitable sses that fall into our strate- jectives," Mr. Frère said. He that GBL has about $500 n in cash reserves, $175 mil- f which reportedly are at the al of its U.S. unit, Lambert ls.

ed, Lambert Brussels re- reported 1985 net income of million, more than twice as as the previous year. That ainly because of its lucrative cent stake in Drexel Burn- ambert Inc., the fast-growing ork City investment firm.

Jean Lanier, who heads rt Brussels, said that the ny would wait for the right unities. "In America we are foreigners, so we have to be prudent with what we do," he said. Despite such cautious statements, however, he predicted that Lambert Brussels would be a vastly different and larger company in a few years.

Much of the success of Mr. Frère's holdings is due to his unusual relationship with Gérard Eskenazi, a longtime friend and former director general of Paribas who joined GBL as co-managing director in 1982. The two men also are co-managing directors of Pargesa, and Mr. Eskenazi is credited with being the technical genius behind the group's financial maneuvering.

"I am undoubtedly more of a financial man," Mr. Eskenazi said. "All of my life has been in financial activity." He said that the dual management system "may look funny, but it does work." He added, "We talk together in the morning, afternoon and at night."

The attention-getting aspect of Mr. Frère's current activity is his media aspirations. Compagnie Luxembourgeoise de Télédiffusion, which runs the lucrative Radio-Tele Luxembourg, failed in its bid last year to gain broadcasting rights in France. In a highly controversial case, the French government initially agreed to give CLT the broadcasting rights, but then backed out, awarding the prize to an Italian competitor — in part, sources say, because of Mr. Frère's role in spiriting away Paribas's foreign assets.

Mr. Frère's ties to Mr. Murdoch thus are a tantalizing hint of future possibilities. However, Media International, the joint company established by the two men, serves only as a vehicle for conducting research into the opportunities for cooperation. The role of GBL "is to acquaint CLT with Murdoch," Mr. Frère said. "The alliance means that CLT will have available the support, the counsel and the strength of Murdoch."

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Sprinkel Predicts More Rate Drops

Reuters

SAINT GALL, Switzerland — Beryl W. Sprinkel, chairman of President Ronald Reagan's Council of Economic Advisers, said Monday that further interest-rate declines were likely in countries with appreciating currencies.

"In some countries, particularly countries with strongly appreciating currencies, inflation rates are likely to remain very low, if not be negative, over the coming year or more," Mr. Sprinkel told an international management symposium here. "In these countries, there may well be a further natural tendency for market forces to put downward pressure on interest rates."

But he warned of dangers associated with calls for more expansionary monetary and fiscal policies in Western Europe and Japan.

Italy Cuts Discount Rate By One Point, to 12%

Reuters

ROME — Italy's official discount rate will be cut to 12 percent from 13 percent, effective Tuesday, the Treasury said Monday.

It is the fourth reduction in the discount rate, the rate that the central bank charges commercial banks, in the past seven months. It was cut by one point to 13 percent effective April 25 after being reduced one point on March 22 and half a point last Nov. 8. The latest cut brings the rate to a level seven points below the historical high of 19 percent reached in 1981.

CURRENCY MARKETS

Dollar Ends Little Changed In Quiet Holiday Trading

Compiled by Our Staff From Dispatches

FRANKFURT — The dollar was little changed Monday in very quiet European trading. Dealers said many market participants stayed away because of holidays in London and New York.

They added that the market was unlikely to pick up later in the week. Thursday is a holiday in several centers, including parts of West Germany, as well as the first day of the International Forex Club meeting in Dublin.

In Frankfurt, the dollar was fixed at 2.2807 Deutsche marks, slightly higher than Friday's level of 2.2790 DM. The dollar was also barely higher at the fixing in Paris, rising to 7.2660 French francs from 7.2560 on Friday.

In Zurich, the dollar slipped to 1.8905 Swiss francs at the close from 1.8945 there on Friday.

In Tokyo, too, trading was thin and uneventful because of the market holidays and the approach of the Dublin meeting, dealers said.

After opening at the day's high of 170.02 yen, the dollar slipped to a low of 169.65 before ending at 169.90, still slightly firmer than Friday's close of 169.65 yen.

A small amount of exporter selling put a lid on the dollar's recovery of the last two weeks, but operators held back from resuming speculative selling in view of the Bank of Japan's persistent intervention during that period.

Dealers said the market reacted little to the likelihood of elections in both houses of the Diet, Japan's parliament, in the next month or so, though they said the possibility of such an election is high.

But they said that the dollar's downside potential is now limited because Prime Minister Yasuhiro Nakasone will probably act to stop the yen from rising again, if elections take place. The strong yen has hurt Mr. Nakasone's political prospects along with the economy.

The Bank of Japan's aggressive dollar buying during the past two weeks was very much politically motivated, the traders said.

Speculative operators, apparently satisfied with the dollar's 10-yen recovery in the past two weeks, are refraining from building up long dollar positions, dealers said, as exporters' dollar-selling orders are lining up at just above 170 yen.

Trading was similarly quiet in Hong Kong and Singapore, where dealers said the dollar closed little changed from Friday's levels.

Hong Kong dealers cited a general market belief that international monetary authorities want the dollar to stabilize. *(Reuters, IHT)*

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B :	MULTICURRENCY "CASH"	$12.57
X :	STERLING "CASH"	£10.10
C :	DOLLAR BONDS	$12.54
D :	MULTICURRENCY BONDS	$15.02
E :	STERLING BONDS	£11.43
F :	DEUTSCHMARK BONDS	DM10.49
G :	YEN BONDS	YEN1045
H :	ECU BONDS	ECU10.84
M :	U.S. EQUITIES	$11.28

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NOTICE OF ANNUAL GENERAL ASSEMBLY OF SHAREHOLDERS

Please take notice that the Annual General Assembly of Shareholders of *Fidelity Australia Fund N.V. (The "Corporation")* will take place at 10:00 a.m. at 16-A Pietermaai, Willemstad, Curaçao, Netherlands Antilles, on June 17, 1986.

The following matters are on the agenda for this meeting:

1. Approval of the report of the management;
2. Election of nine managing directors.

The chairman of the management proposes the re-election of the present managing directors:

Edward C. Johnson 3d	John M.S. Patton
William L. Byrnes	Peter J. Pearson
Charles A. Fraser	Harry G.A. Seggerman
Hisashi Kurokawa	H.F. Van den Hoven
	Corporate Trust N.V.

3. Approval of the financial statements of the corporation for the *fiscal year ended February 28, 1986.*
4. Ratification of actions taken by the managing directors since the last annual general assembly of shareholders;
5. Ratification of actions taken by the investment manager since the last annual general assembly of shareholders;
6. Such other business as may properly come before the meeting.

Holders of registered shares may vote by proxy by mailing a form of proxy obtained from the corporation's principal office at Pembroke Hall, Pembroke, Bermuda, or from the Bank of Bermuda Limited, Front Street, Hamilton, Bermuda, to the corporation at the following address:

Fidelity Australia Fund N.V.
c/o Corporate Trust N.V.
16/A Pietermaai, Willemstad,
Curaçao,
Netherlands Antilles.

Holders of bearer shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares to the fund at the above address. Alternatively, holders of bearer shares wishing to exercise their rights personally at the meeting may deposit their shares, or a certificate of deposit therefore, with the corporation at 16-A Pietermaai, Willemstad, Curaçao, Netherlands Antilles, against receipt therefore, which receipt will entitle said bearer shareholder to exercise such rights.

Holders of bearer shares may obtain a form of proxy and certificate of deposit from the following institutions:

Fidelity Australia Fund N.V.	**The Bank of Bermuda Ltd.**
Pembroke Hall	**Front Street**
Pembroke, Bermuda	**Hamilton, Bermuda**
Fidelity International	**Kredietbank S.A.**
Management Ltd.	**Luxembourgeoise**
25 Lovat Lane	**43, Boulevard Royal**
London EC3R 8LL, England.	**Luxembourg.**

All Proxies (and certificates of deposit issued to bearer shareholders) must be received by the corporation not later then 9:00 a.m. on June 17, 1986, in order to be used at the meeting.

By order of the management
Charles T.M. COLLIS
Secretary

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Arranging a defeasance for Levi Strauss & Co. took a custom approach and an international network.

While our Levi Strauss & Co. account officer worked closely with the client in San Francisco, our New York corporate finance experts recommended a financing strategy and structured the defeasance. Then three other BankAmerica Groups in London and San Francisco swung into action–retiring Eurobonds, purchasing a portfolio of U.S. Treasury securities and establishing a trust, all with careful timing at favorable rates.

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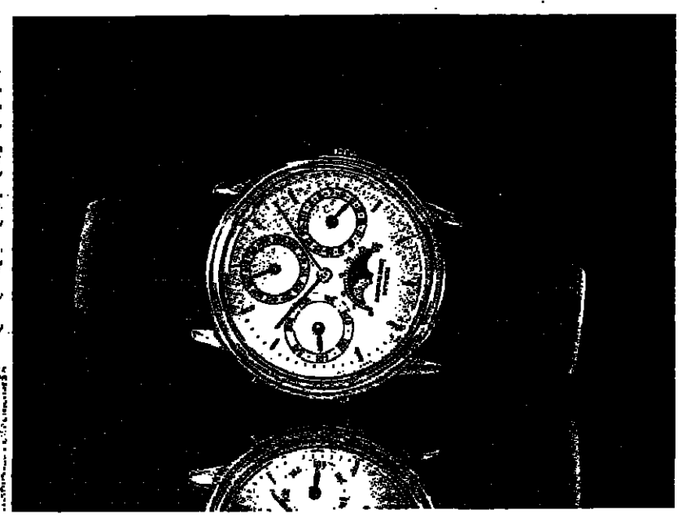

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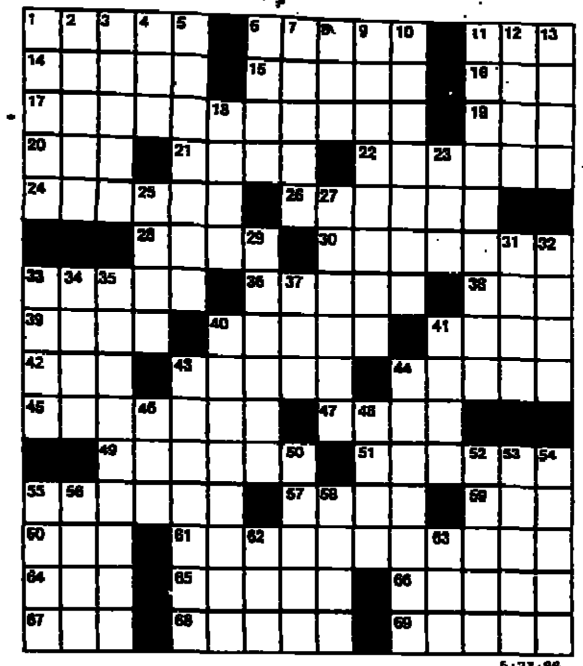
MEGÈVE: Hôtel Mont-Blanc **CRANS-SUR-SIERRE:** «Les Trois Vétérans»



5/27/86

ACROSS

1 Sardinelike fish
6 Tragic Puccini heroine
11 Canonized ones: Abbr.
14 *Exclusively*
15 Embellish
16 Composer Delibes
17 Popular deli combination
19 Oui or ja
20 Hot time in Paris
21 "Cool Hand ——," 1967 film
22 Site of La Scala
24 Quiz again
26 Spur adjuncts
28 Dairy sounds
30 Illegal border crosser
33 La. dialect
36 Sawyer's aunt
38 Antagonist
39 Turkish generals
40 Threshing instrument
41 Osseous
42 Los Angeles athlete
43 Soothsayers
44 Joins in socially
45 Wield the gavel
47 Legatee
49 An English channel, with "The"
51 Set back from the margin
55 Life-story item
57 Crusaders' base
59 Mauna ——
60 Kind of light
61 Where Yogi toiled
64 "—— Rita"
65 Entrance courts
66 Came about
67 Singer-actor Ritter
68 Fixes in place
69 Pullman berth

DOWN

1 "—— Dance": Khachaturian
2 Serving of food
3 Thesaurus man
4 One, in Scotland
5 Affects
6 Scuba gear
7 Stranger
8 The sun personified
9 English revolutionary leader: 17th century
10 Mel Brooks's "High ——"
11 Showing animal cunning
12 Young person
13 Neither good nor bad
18 Javelin or Jensen
23 Legal degree
25 Ostrich relatives
27 Resembling a morepork
29 *Ill humor*
31 Ice-cream holder
32 Some can openers
33 Cavil
34 Culture medium
35 F.D.R. ran with him in 1920
37 Crew member
40 Join forces
41 Celtics star
43 Quartzes
44 "Twenty Questions" category
46 Michigan's —— Canals
48 De Valera's Ireland
50 Unspoken
52 Jostle
53 Lasso end
54 Levy imposer
55 Trading center
56 Clinton's canal
58 Heir apparent of Eliz. II
62 "... bloom in the spring, —— la"
63 Sign of a hit

© *New York Times, edited by Eugene Maleska.*

PEANUTS

BLONDIE

BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD

DENNIS THE MENACE

"I WAS OVER AT JOEY'S AND I HAD TO PUT IN SOME OVERTIME."

JUMBLE. THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GUNEB

YOHNP

MASHNO

RACCIT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: THE

(Answers tomorrow)

Yesterday's | Jumbles: CRAZE ENJOY ZITHER WISDOM
Answer: What they called that very clever oil tycoon— THE WIZARD OF "OOZE"

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	27	81	15	59	fr
Amsterdam	22	72	9	48	fr
Athens	25	77	20	68	cl
Barcelona	21	70	17	63	o
Belgrade	24	75	10	50	fr
Berlin	26	79	12	54	fr
Brussels	25	77	11	52	fr
Bucharest	21	70	13	55	o
Budapest	24	75	11	52	fr
Copenhagen	20	68	11	52	fr
Costa Del Sol	26	79	17	63	fr
Dublin	—	—	—	—	na
Edinburgh	14	57	9	48	cl
Florence	32	90	14	57	fr
Frankfurt	25	77	10	50	o
Geneva	27	81	10	50	cl
Helsinki	14	57	5	41	o
Istanbul	21	70	—	—	o
Las Palmas	30	86	21	70	fr
Lisbon	22	72	13	55	fr
London	16	61	9	48	o
Madrid	29	84	15	59	cl
Milan	27	81	18	64	cl
Moscow	19	66	12	54	cl
Munich	26	79	7	45	cl
Nice	26	79	21	70	o
Oslo	11	52	8	46	r
Paris	25	77	12	54	cl
Prague	24	75	8	46	cl
Reykjavik	10	50	4	39	cl
Rome	27	81	15	59	fr
Stockholm	19	66	11	52	fr
Strasbourg	26	79	9	48	cl
Venice	28	82	19	66	fr
Vienna	25	77	9	48	fr
Warsaw	24	75	7	45	fr
Zurich	25	77	9	48	cl
MIDDLE EAST					
Ankara	21	70	6	43	sh
Beirut	27	81	—	—	fr
Damascus	—	—	—	—	na
Jerusalem	26	79	13	55	fr
Tel Aviv	28	82	14	57	fr
OCEANIA					
Auckland	20	68	13	55	sh
Sydney	15	59	9	48	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	26	79	cl
Beijing	28	82	18	64	o
Hong Kong	31	88	25	77	fr
Manila	31	88	23	73	o
New Delhi	38	100	24	75	st
Seoul	20	68	16	61	o
Shanghai	25	77	18	64	o
Singapore	31	88	25	77	o
Taipei	28	82	24	75	cl
Tokyo	20	68	15	59	cl
AFRICA					
Algiers	31	88	14	57	cl
Cairo	—	—	19	66	na
Cape Town	—	—	9	48	na
Casablanca	24	75	19	66	o
Harare	—	—	—	—	na
Lagos	31	88	24	75	o
Nairobi	—	—	14	57	na
Tunis	28	82	16	61	fr
LATIN AMERICA					
Buenos Aires	—	—	—	—	na
Caracas	29	84	20	68	cl
Lima	21	70	15	59	o
Mexico City	24	75	13	55	cl
Rio de Janeiro	—	—	—	—	na
NORTH AMERICA					
Anchorage	16	61	7	45	cl
Atlanta	29	84	18	64	st
Boston	21	70	12	54	fr
Chicago	22	72	11	52	pc
Denver	20	68	6	43	pc
Detroit	22	72	12	54	cl
Honolulu	31	88	21	70	fr
Houston	30	86	20	68	st
Los Angeles	30	86	17	63	fr
Miami	30	86	21	70	pc
Minneapolis	20	68	11	52	cl
Montreal	25	77	10	50	pc
Nassau	30	86	23	73	fr
New York	26	79	16	61	fr
San Francisco	20	68	13	55	pc
Seattle	23	73	16	61	pc
Toronto	25	77	10	50	fr
Washington	27	81	16	61	pc

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Fair. Temp. 26 — 8 (79 — 46). LONDON: Partly cloudy. Temp. 21 — 7 (70 — 45). MADRID: Cloudy. Temp. 28 — 15 (82 — 59). NEW YORK: Fair. Temp. 25 — 16 (77 — 61). PARIS: Fair. Temp. 25 — 10 (77 — 50). ROME: Fair. Temp. 30 — 16 (86 — 61). TEL AVIV: Not available. ZURICH: Fair. Temp. 26 — 8 (79 — 46). BANGKOK: Stormy. Temp. 34 — 27 (93 — 81). HONG KONG: Fair. Temp. 30 — 26 (86 — 79). MANILA: Showers. Temp. 30 — 23 (86 — 73). SEOUL: Foggy. Temp. 21 — 17 (70 — 63). SINGAPORE: Stormy. Temp. 31 — 22 (88 — 72). TOKYO: Fair. Temp. 21 — 15 (70 — 59).

BOOKS

OUT OF INDIA

By Ruth Prawer Jhabvala. 288 pages. $16.95. William Morrow, 105 Madison Avenue, New York, N. Y. 10016.

Reviewed by Elisabeth Bumiller

RUTH PRAWER JHABVALA and her publisher may be trying to capitalize on the success of "Out of Africa" in reissuing 15 short stories under the title "Out of India," but the title could also serve as a description of her many European-born characters living in India who remain outside the real life of the country — one of the themes of this wonderful and wickedly observed selection.

The characters usually compensate by going to extremes, either detesting India or naïvely embracing it. "I want to live in India like an Indian," an English girl tells her Indian lover, a low-level clerk who lives in a tenement with his wife and children. He reacts with contempt. "You have everything in life and you throw it all away," he tells her. "Aren't you ashamed?"

Jhabvala went to India in 1951 as the 24-year-old wife of a Parsi architect. She was a Polish Jew who had been raised in Germany and educated in England, always feeling, she once said, like a "displaced person" who had no country to call her own. India became home. In her first nine years in the country, she produced three children and four novels brimming with the warmth of Indian family life.

Over the years, however, she became less enamored of her adopted home. "There is a cycle that Europeans — by Europeans I mean all Westerners, including Americans — tend to pass through," she writes in "Myself in India," the introduction to this book. "It goes like this: first stage, tremendous enthusiasm — everything Indian is marvelous; second stage, everything Indian not so marvelous; third stage, everything Indian abominable. For some people it ends there, for others the cycle renews itself and goes on. I have been through it so many times that now I think of myself as strapped to a wheel that goes round and round and sometimes I'm up and sometimes I'm down." She now lives mostly in New York.

Most of these stories are about Indian families, and Jhabvala has a better, more compassionate touch with them. But her Western characters are always entertaining and sometimes painfully familiar. Of these, the most foolish personality is the upper-class, self-absorbed English girl who finds everything in India marvelous. This character is repeated in various forms.

The problem is that she becomes awfully tedious after a while. The stories work better when Jhabvala has more sympathy for her main subject, as in "How I Became a Holy Mother," the best piece in the collection. A 23-year-old London model with two former husbands and a fine sense of the absurd comes to India looking for nothing in particular, falls in love with a young, handsome and sensitive holy man, and winds up as his spiritual other half, worshipped on tours across India.

"You might have seen posters of Vishwa and me together, both of us in these white robes, his hair black and curly, mine blond and straight," the model says. "I suppose we do make a good couple — anyway, people seem to like us and get something out of us. We do our best. It's not very hard; mostly we just have to sit there and radiate."

The stories about Indian families also center on women, usually upper-class ones, who are emotionally and sexually isolated in the life society has laid out for them. The most moving of these is "The Widow." Durga's husband has died, leaving her with a fine house. He was an impotent old man when her family married her off to him, and she is happy he is gone. She becomes obsessed with the 17-year-old boy who lives upstairs, and when he rejects her awkward sexual advance, Durga decides the time has come to lead the proper widow's life.

Taken together, these 15 stories paint a depressing picture of life in a country where the inhabitants are often trapped by rigid social custom and the visitors by self-delusion. In the end, everyone is a captive to India — the real main character of the book.

Elisabeth Bumiller is on the staff of The Washington Post.

Solution to Previous Puzzle

T	A	F	T	■	H	A	T	C	H	■	C	A	S	H
A	R	I	A	■	A	R	E	C	A	■	A	L	A	E
L	E	S	T	■	M	I	N	I	M	■	T	E	A	M
C	A	T	T	A	I	L	S	■	L	A	C	E	R	S
■	■	■	■	E	L	L	S	■	M	E	S	A	■	■
E	S	P	R	I	T	■	P	A	T	E	L	L	A	E
A	C	E	■	T	O	W	E	R	■	A	L	I	N	E
S	A	R	C	■	N	O	T	E	S	■	S	T	I	R
E	L	I	A	S	■	O	A	S	T	S	■	E	L	I
L	A	S	T	W	I	L	L	■	E	N	T	R	E	E
■	■	■	■	B	A	N	S	■	C	R	O	W	■	■
S	P	R	I	T	S	■	C	A	T	W	A	L	K	S
T	I	E	R	■	P	I	A	N	O	■	N	I	N	E
A	P	E	D	■	A	R	M	O	R	■	G	R	I	N
R	E	D	S	■	N	A	P	E	S	■	S	E	T	S

5/27/86

Monet Sold for $303,000

The Associated Press

FONTAINEBLEAU, France — An 1872 painting by Claude Monet, "La Gare d'Argenteuil," was sold at auction Sunday for 2.2 million francs (about $303,000) to the Val d'Oise departmental government for the Pontoise Museum. The Monet was one of 11 paintings and two sculptures sold at Fontainebleau's Hôtel des Ventes, which brought a total of seven million francs.

CHESS

By Robert Byrne

THE London International Tournament ended in a surprising triumph for Glenn Flear, a 27-year old British international master, whose 8½-4½ score enabled him to surpass the 13 grandmasters entered.

At the critical stage of the game with his countryman, Jonathan Mestel, Flear stalled his opponent's attack and got *in first with his own.*

The main version of the Two Knights' Defense that Flear used is really a positional gambit of solid value. After 14. . .B-KB4, Black was ahead in development while White could still not castle.

Flear's 17. . .P-B5!; 18 NxP, NxN; 19 PxN, QxP splintered the white queenside pawns, insuring that White would have great trouble trying to recover the initiative.

The exchange with 20 BxN, PxB was reasonable because it was not clear how White could use his QB, whereas Black could continue his pressure with. . .N-K5.

After 22. . .B-QB4, Mestel should probably have played for an even game with 23 P-QR4, letting Black recover the pawn with 23. . .BxN but denying him a passed pawn.

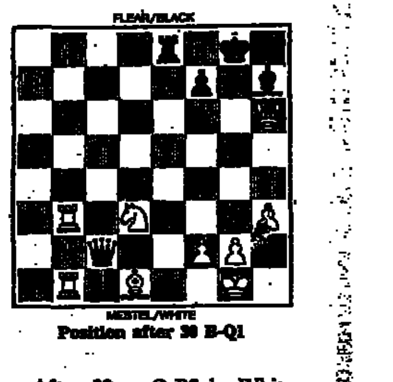
Instead, it seemed that Mestel wanted to play for a win with 23 Q-B1?, but after 23. . .B-Q5; 24 R-N1, QxRP, he could not capture with 25 QxP because of 25. . .QxP winning the exchange by force.

It would have been wrong for Flear to greedily play 27. . .PxN? because 28 R-KN3! is deadly. However, his 27. . .KR-K1! prevented 28 RxRch, RxR 29 R-KN3 in view of 29. . .R-K8ch; 30 K-R2, B-K4!

On 28. . .Q-B4!, Mestel could not play 29 R-KB1 because 29. . .BxPch!; 30 RxB, R-K8ch; 31 K-R2, QxR sees Black getting there first.

Mestel tried to hold material together with 30 B-Q1, but was struck by Flear's crushing 30. . .R-K8ch! Since 31 NxR, QxPch; 32 K-R2, B-K4ch forces mate, he had to run with 31 K-R2 and drop a piece to 31. . .RxB.

FLEAR/BLACK



MESTEL/WHITE

Position after 30 B-Q1

After 32. . .Q-B2ch, White would have lost another piece to 33 P-N3, RxR/8; 34 RxR, BxN, so Mestel gave up.

TWO KNIGHTS' DEFENSE

	White Mestel	Black Flear		White Mestel	Black Flear
1	P-K4	P-K4	18	NxP	NxN
2	N-KB3	N-QB3	19	PxN	QxP
3	B-B4	N-B3	20	BxN	PxB
4	N-N5	P-Q4	21	B-N4	B-K2
5	PxP	N-QR4	22	R-K1	B-QB4
6	B-N5ch	P-B3	23	Q-B1	B-Q5
7	PxP	PxP	24	R-N1	QxRP
8	B-K2	P-KR3	25	N-N4	Q-B5
9	N-KB3	P-K5	26	QxP	P-B4
10	N-K5	B-Q3	27	R-N3	KR-K1
11	P-Q4	PxPe.p.	28	R/1-N1	Q-B4
12	NxQP	Q-B2	29	N-Q3	QxP
13	P-QN3	O-O	30	B-Q1	R-K8ch
14	B-N2	B-KB4	31	K-R2	RxB
15	N-Q2	QR-Q1	32	R-N8	Q-B2ch
16	P-KB4	P-B4	33	Resigns	
17	O-O	P-B5			

World Stock Markets

Via Agence France-Presse May 26

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	599	597
ACF Holding	305	300
Aegon	110	110.20
Akzo	174.20	177.50
Ahold	82.70	84.20
Amev	85.80	86.90
A'Dam Rubber	12.15	12.10
Amro Bank	112.20	113.50
BVG	225	227
Buehrmann T	187	187.30
Caland Hlds	18.50	20
Elsevier-NDU	272	211
Fokker	92.50	94
Gist Brocades	283.50	286.50
Heineken	169.80	171.50
Hoogovens	115	116.30
KLM	51	52.30
Naarden	53.90	52
Nat Neder	90.20	91.80
Nedlloyd	173	175.50
NMB	214	216
Oce Van der G	495	494
Pakhoed	54	53.20
Philips	59.20	59.70
Robeco	93.30	93.30
Rodamco	140.80	140
Rolinco	86	85.60
Rorento	50.60	50.50
Royal Dutch	193.20	194.50
Unilever	466	469
Van Ommeren	34	34.60
VMF Stork	293	297
VNU	344	346

ANP.CBS Gen'l Index : 287.90
Previous : 289.70

Brussels

	Close	Prev.
Arbed	3395	3390
Bekaert	12800	13225
Cockerill	152	156
Cobepa	4780	4695
EBES	4540	4600
GB-Inno-BM	7860	7780
GBL	3210	3310
Gevaert	6200	6250
Hoboken	7310	7590
Intercom	3700	3725
Kredietbank	15200	15000
Petrofina	8000	8000
Soc Generale	3055	3075
Sofina	10400	10400
Solvay	8200	8300
Traction Elec	6300	6300
UCB	7300	7000
Unerg	2755	2755
Vieille Montagne	5830	5830

Current Stock Index : 3681.20
Previous : 3699.67

Frankfurt

	Close	Prev.
AEG	323.60	324.60
Allianz Vers	2440	2450
Altana	405	410
BASF	279.50	283
Bayer	299.50	303.80
Bay Hypo bank	550	558
Bay Vereinsbank	505	508
BBC	318	318
BHF-Bank	504	504
BMW	585	576
Commerzbank	316	321.50
Conti Gummi	251	252
Daimler-Benz	1343	1350
Degussa	459	468
Deutsche Babcock	199	202
Deutsche Bank	797	802
Dresdner Bank	417	417.50
GHH	213	222.50
Harpener	392	392
Hochtief	945	945
Hoechst	277.50	283
Hoesch	181	184
Horten	186	191
Hussel	495	494.50
IWKA	285.50	284.50
Kali + Salz	258	265
Karstadt	330	344
Kaufhof	426	426
Kloeckner H-D	262.50	252
Kloeckner Werke	92	93.50
Krupp Stahl	170	168
Linde	708	715
Lufthansa	219	220
MAN	194.50	196
Mannesmann	210.50	222
Muench Rueck	3200	3050
Nixdorf	585	583
PKI	810	821
Porsche	1060	1054
Preussag	204.50	204.50
PWA	225	224.70
RWE	230	225
Rheinmetall	370	380
Schering	575	577
SEL	357.50	360
Siemens	622.50	624.80
Thyssen	165.80	166.50
Veba	284	286
Volkswagenwerk	571	578.50
Wella	817	819

Commerzbank Index : 1989.30
Previous : 2001.10

Hong Kong

	Close	Prev.
Bk East Asia	19.60	19.70
Cathay Pacific	5.75	5.70
Cheung Kong	21.20	21.40
China Light	16.10	16.40
Green Island	8.05	8
Hang Seng Bank	36.50	37
Henderson	2.175	2.175
China Gas	15.70	15.80
HK Electric	9.05	9.10
HK Realty A	10.70	10.70
HK Hotels	37.25	37.50
HK Land	6.25	6.30
HK Shang Bank	6.90	6.90
HK Telephone	11.70	11.50
HK Yaumatei	3.225	3.225
HK Wharf	7.15	7.25
Hutch Whampoa	29.70	29.50
Hysan	0.69	0.69
Jardine	12.70	12.50
Jardine Sec	12.60	12.50
Kowloon Motor	8.80	8.90
Miramar Hotel	3.625	3.65
New World	6.45	6.40
SHK Props	12.50	12.60
Stelux	1.72	1.64
Swire Pacific A	13	12.80
Tai Cheung	1.99	1.99
Wing On Co	1.50	1.53
Winsor	8.50	8.50
World Int'l	2.425	2.425

Hang Seng Index : 1811.87
Previous : 1815.92

Johannesburg

	Close	Prev.
AECI	1125	1125
Anglo American	4435	4400
Anglo Am Gold	22800	22400
Barlows	1760	1730
Blyvoor	1800	1800
Buffels	7200	7250
De Beers	2500	2510
Driefontein	5225	5200
Freegold	3400	3425
GFSA	4075	4075
Harmony	3035	3075
Hiveld Steel	635	695
Kloof	2250	2250
Nedbank	620	610
Rusplat	3275	3300
SA Brews	1010	1010
St Helena	4375	4400
Sasol	695	695
Welkom	2050	2075

Composite Stock Index : 1431.80
Previous : N.A.

Milan

	Close	Prev.
Banca Comm	30700	32000
Cigahotels	6405	6750
CIR	14520	17200
Cred Ital	4380	4500
Eridania	6150	6290
Farmitalia	19450	20990
Fiat	13351	16000
Generali	168650	179000
IFI	32750	34500
Italcementi	73500	77300
Italgas	3253	3390
Italmobiliare	142000	150100
Mediobanca	300000	311100
Montedison	3751	3889
NBA	4210	4439
Olivetti	19110	19940
Pirelli	6230	6411
RAS	70010	75900
Rinascente	1300	1340
SIP	3979	4000
SME	3125	3351
Snia	6860	7185
Standa	16300	16700
Stet	6545	6655

MIB Current Index : 1927
Previous : 2012

Paris

	Close	Prev.
Air Liquide	722	745
Alsthom Atl.	480	530
Av Dassault	1400	1540
Bancaire	1110	1208
BIC	602	630
Bongrain	1750	1800
Bouygues	1060	1072
BSN-GD	3400	3630
Carrefour	3380	3575
Chargeurs	N.Q.	1195
Club Med	495	509
Darty	3000	3290
Dumez	N.Q.	1520
Elf-Aquitaine	285.50	303
Europe 1	1298	1460
Gen Eaux	1240	1335
Hachette	3010	3402
Lafarge Cop	1270	1380
Legrand	3620	3855
Lesieur	1070	1150
l'Oreal	3218	3360
Martell	1540	1730
Matra	2070	2180
Merlin	2960	3285
Michelin	2620	2705
Moet Hennessy	2180	2295
Moulinex	84.90	92
Occidentale	875	936
Pernod Ric	1000	1080
Perrier	660	701
Peugeot	872	952
Printemps	N.Q.	631
Radiotechn	740	926
Redoute	1830	1850
Roussel Uclaf	1421	1650
Sanofi	673	716
Skis Rossignol	1267	1440
Telemecan	3080	3350
Thomson CSF	1130	1189
Total	345	370

CAC Index : N.A.
Previous : 385.80

Singapore

	Close	Prev.
Cerebos	2.61	2.55
Cold Storage	2.78	2.68
DBS	5.35	5.15
Fraser Neave	6	5.90
Haw Par	2.19	2.11
Hume	1.57	1.56
Inchcape	1.45	1.33
Lum Chang	0.87	0.835
Malayan Banking	3.04	2.89
OCBC	6.45	6.20
OUB	2.58	2.50
OUE	1.78	1.68
Shangri-la	2.04	2
Sime Darby	1.21	1.17
S'pore Airlines	6.15	6.15
S'pore Land	2.44	2.21
S'pore Press	6.45	6.35
S Steamship	0.93	0.855
St Trading	2.27	2.14
UOB	3.28	3.16
United Overseas	0.89	0.86

Straits Times Ind Index : 616.84
Previous : 601.80

Stockholm

	Close	Prev.
AGA	189	189
Alfa Laval	367	368
Asea	356	355
Astra	575	505
Atlas Copco	216	217
Beijer	170	170
Boliden	N.Q.	175
Electrolux	281	281
Ericsson	266	262
Essette	570	N.Q.
Fermenta	171	167
Handelsbanken	365	357
Pharmacia	215	216
Saab-Scania	N.Q.	850
Sandvik	839	840
Skanska	144	148
SKF	338	340
SwedishMatch	334	349
Volvo	415	406

Affaersvaerlden Index : 626.60
Previous : 625.30

Sydney

	Close	Prev.
ACI	3.60	3.60
ANZ	5.50	5.46
BHP	8.60	8.50
Boral	4.75	4.55
Bougainville	2.55	2.50
Coles Myer	5.74	5.74
Comalco	2.15	2.12
CRA	6.20	6
CSR	3.30	3.20
Dunlop	3.70	3.55
Elders Ixl	4.35	4.20
ICI Australia	2.70	2.62
Magellan	1.10	1.10
MIM	2.25	2.17
Nat Aust Bank	5.90	5.74
News Corp	22.30	22.20
N Broken Hill	1.85	1.78
Poseidon	2.70	2.60
Qld Coal Trust	1.45	1.43
Santos	3.75	3.72
Thomas Nation	3.42	3.32
Western Mining	3.36	3.22
Westpac Banking	5.26	5.20
Woodside	0.95	0.95

All Ordinaries Index : 1184.60
Previous : 1191.50

Tokyo

	Close	Prev.
Akai	396	406
Asahi Chemical	867	871
Asahi Glass	1230	1220
Bank of Tokyo	792	790
Bridgestone	738	705
Canon	1040	1050
Casio	1640	1440
C.Itoh	445	446
Dai Nippon Print	1900	1880
Daiwa House	1450	1420
Daiwa Securities	1480	1470
Fanuc	6860	6920
Fuji Bank	1470	1480
Fuji Photo	2300	2290
Fujitsu	984	1000
Hitachi	888	905
Hitachi Cable	910	897
Honda	1180	1190
Japan Air Lines	N.A.	—
Kajima	N.A.	—
Kansai Power	2300	2290
Kawasaki Steel	157	155
Kirin Brewery	1330	1320
Komatsu	478	479
Kubota	360	357
Kyocera	4400	4500
Matsu Elec Inds	1530	1520
Matsu Elec Works	1410	1360
Mitsubishi Bank	1440	1440
Mitsubishi Chem	742	718
Mitsubishi Elec	351	346
Mitsubishi Heavy	389	368
Mitsubishi Corp	744	718
Mitsui and Co	445	452
Mitsukoshi	1000	1080
Mitsumi	1190	1190
NEC	N.A.	—
NGK Insulators	N.A.	—
Nikko Sec	1030	1030
Nippon Kogaku	1180	1100
Nippon Oil	1170	1180
Nippon Steel	165	164
Nippon Yusen	400	387
Nissan	551	548
Nomura Sec	2020	2000
Olympus	1280	1250
Pioneer	2400	2450
Ricoh	938	921
Sharp	998	999
Shimazu	1100	1090
Shinetsu Chemical	1220	1210
Sony	3600	3560
Sumitomo Bank	1830	1840
Sumitomo Chem	362	344
Sumitomo Marine	895	898
Sumitomo Metal	140	139
Taisei Corp	495	492
Taisho Marine	732	737
Takeda Chem	1610	1510
TDK	4050	4120
Teijin	519	513
Tokio Marine	1200	1220
Tokyo Elec. Power	3840	3820
Toppan Printing	1700	1630
Toray Ind	545	553
Toshiba	411	419
Toyota	1480	1460
Yamaichi Sec	1020	1000

Nikkei 225 : 16409.49
Previous : 16284.98
New Index : 1278.90
Previous : 1267.30

Zurich

	Close	Prev.
Adia	6500	6580
Alusuisse	720	702
Autophon	7850	7825
Bank Leu	3600	3625
Brown Boveri	1890	1890
Ciba Geigy	3525	3475
Credit Suisse	3780	3780
Electrowatt	3525	3525
Interdiscount	4900	4950
Jacob Suchard	7700	7650
Jelmoli	3125	3100
Landis Gyr	1900	1900
Moevenpick	6500	6575
Nestle	8380	8400
Oerlikon-B	1870	1880
Roche Baby	11225	11300
Sandoz	1930	1920
Schindler	3975	3900
Sulzer	610	570
Surveillance	6100	6200
Swissair	1620	1668
SBC	562	561
Swiss Reinsurance	3350	3400
Swiss Volksbank	2550	2585
Union Bank	5600	5610
Winterthur	7400	7400
Zurich Ins	3540	3540

SBC Index : 646.20
Previous : 644.80

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto *May 23*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
3406	Abti Prce	$24⅞	24½	24½	+ ⅛
7200	Agnico E	$20⅜	20⅜	20⅜	+ ⅛
4800	Agra Ind A	$15⅝	15⅝	15⅝	+ ¼
11408	Alt Energy	$13⅛	12⅞	13	— ⅛
44500	Alta Nat	$13½	13¼	13½	+ ¼
2100	Algoma St	$15⅝	15⅝	15⅝	— ¼
3045	A Barick o	$13⅛	13⅛	13⅛	
6376	Atco I f	$8¾	8⅝	8¾	+ ⅜
33475	BCED	$5¾	5⅝	5⅝	— ⅛
300	BCED A	$6½	6½	6½	
1220	BP Canada	$29¾	29¼	29¾	+ ¼
24156	Bank BC	340	330	335	+ 5
161718	Bank N S	$14½	14¼	14¼	
1500	Baton	$24⅝	24	24	— ⅝
7485	Bonanza R	181	176	176	— 9
8000	Bralorne	180	155	155	—15
4500	Bramalea	$20⅝	20¼	20⅜	
500	Brenda M	$8⅛	8⅛	8⅛	
400498	BCFP	$12⅝	12⅝	12⅝	
22685	BC Res	140	133	135	— 5
15673	BC Phone	$28⅝	28⅛	28⅛	
750	Budd Can	$36⅝	36⅛	36½	— ¼
24250	CAE	$22½	22⅛	22½	+ ¼
1900	CGL A	$18⅝	18	18¼	+ ¼
18155	CCL B f	$18	17¾	17¾	— ½
6869	Cad Frv	$19⅝	19½	19¾	+ ⅛
6275	Campeau f	$28⅝	28	28⅛	— ¼
1406	C Nor West	$16	16	16	
11925	C Packrs	$41½	41	41½	+ ¼
250	Can Trust	$54½	54½	54½	— ¼
200	C Tung	$8½	8½	8½	
486614	CI Bk Com	$19	18⅞	19	+ ⅛
58890	CTire A f	$15½	15⅛	15⅜	+ ⅛
5750	Cara	$29⅞	29⅝	29⅝	— ⅛
4063	Celanese	$17¼	17	17¼	
1030	Celan 175 p	$20	19¾	20	+ ½
30882	Centrl Tr	$20¼	20½	20⅝	+ ⅛
300	CHUM	$55⅝	55⅝	55⅝	
74261	Cineplex	$21½	21⅛	21½	+ ¼
5200	C Distb A	$8⅛	8	8	
58750	CDistb B f	$8	7⅞	8	
36050	CTL Bank	$10⅛	9⅞	10	
3800	Conwest A	$8½	8	8½	+ ⅛
500	Coseka R	133	131	133	+ 3
4233	Conron A	$17¼	16¾	16¾	— ¼
2100	Crownx	$31¾	31⅜	31¾	+ ¼
1400	Czar Res	141	140	140	
27750	Denison A p	$7⅞	7½	7⅞	
20550	Denison B f	$7⅞	7¼	7⅛	— ¼
114800	Dicknsn A f	$6⅝	6¼	6⅝	+ ⅛
100	Dicknsn B	$7¾	7¾	7¾	+ ⅛
12275	Dofasco	$30⅜	29¾	29⅞	— ½
100	Donohue	$26¼	26¼	26¼	— ⅛
3540	Du Pont A	$34	33¾	34	+ ⅛
277212	Dylex A	$15⅝	15⅛	15⅛	
1250	Elctham X	$13	12¾	12¾	— ¼
675	Emco	$30⅝	30⅛	30⅛	— ⅛
3100	Equity Svr	445	430	445	+10
11900	FCA Intl	$18	17¾	17¾	
9500	C Falcon C	$19	18¾	19	+ ⅛
9275	Fichbrdge	$20⅝	20⅛	20⅝	+ ⅛
122850	Fed Ind A	$16	15¾	15⅞	— ⅛
9700	F City Fin	$13⅛	12⅞	13	+ ⅛
24800	Geodis A	$22½	22	22	— ½
1700	Geac Comp	$5⅝	5⅛	5⅛	— ⅜
27550	Gibraltar	$18	9⅛	9⅝	
7100	Goldcorp f	$6⅝	6⅜	6⅝	+ ⅛
600	Goodyear	$42¼	42	42¼	+ ⅛
200	Gratt G	$18½	18½	18½	
1998	GL Forest	$22	21½	22	—1½
150	Gt Pacific	$39	39	39	— 1
2359	Greyhnd	$30	29½	29¾	
3565	Hawker	$30¼	29¾	30¼	+ ⅛
1700	Hayes D	$15⅜	15⅛	15⅛	— ⅛
11800	Hees Intl	$34⅝	34	34⅝	+ ⅛
2710	Hollingr f	$25	24⅞	25	+ ⅛
18709	H Bay Co	$30⅝	30⅛	30⅜	+ ⅛
33430	Imasco	$34	33¼	33⅝	— ⅛
3050	Indal	$29⅛	29	29⅛	
2600	Inland Gas	$11⅞	11⅛	11⅞	+ ⅛
13800	I Corona o	$21¼	21	21	— ¼
63000	Intl Thom	$10⅝	10⅛	10⅛	+ ⅛
3170	Inter Pipe	$44⅝	44	44⅝	— ⅛
14150	Ipsco	$10⅝	10⅛	10⅜	+ ⅛
8900	Jannock	$28⅝	28	28⅝	+ ⅛
11550	Kelsey H	$25⅝	25	25¼	+ ⅛
750	Kerr Add	$16⅛	15⅞	16⅛	
7421	Labatt	$46⅝	45½	46⅜	+ ¾
700	Lacana	$7½	7½	7½	
2300	LOnt Cem	$25¾	24⅝	25¼	+ ⅞
25316	Loblaw Co	$13⅛	13	13	— ⅛
3150	Lumonics	$15½	15	15⅝	+ ⅛
18250	Maclean A f	$29⅞	29¼	29⅜	
4300	MICC	$6⅝	6	6	
62097	Mclan H X	$18⅝	18¼	18½	+ ¼
8549	Marthme f	$16⅛	15⅞	16	+ ⅛
29725	Merland E	196	195	195	
14231	Molson A f	$27	26½	26⅞	+ ¾
2200	Murphy	$19¾	19¼	19¾	— ¼
1500	Nabisco L	$43	42¼	43	+ ½
137872	Noranda	$18	17¾	17⅞	+ ¼
6593	Norcen	$13⅝	13⅝	13⅝	
273698	Nva AltA f	495	465	475	—15
70900	Nowsco W	$11¾	11¼	11¾	+ ¼
7801	NuWst sp A	30	30	30	+ ½
2	Oakwood	395	395	395	— 5
33300	Omnibus o	390	365	390	+25
49421	Oshawa A f	$44¾	43½	44¾	+1½
10170	Pac W Airln	$15	14¾	14⅞	+ ⅛
500	Pamour	$10½	10½	10½	— ½
14900	PanCan P	$28½	28	28	+ ¼
1340	Pembina	$15	15	15	— ⅛
190	Pine Point	$9½	9½	9½	
14619	Placer	$22¾	22½	22¾	+ ⅛
12213	Qoe Sturg o	$5⅝	5⅜	5⅝	+ ⅛
2800	Rayrock f	$6½	6¼	6⅛	
4645	Redpath	$24⅝	24½	24⅝	+ ⅛
19240	ReedSt 1 Sp	$54½	52	54¼	+1¼
1550	Rogers A	$20⅜	20⅛	20⅛	+ ⅜
6000	Roman	$10½	10	10½	+ ⅛
3900	Rothman	$39	39	39	+ ⅜
5900	Sceptre	270	265	265	—15
2300	Scotts f	$39¼	39	39	
104984	Sears Can	$15⅜	14⅞	15⅛	+ ⅛
2650	Selkirk A f	$25⅝	25	25⅝	+ ⅜
12500	Shell Can	$24⅝	23½	[illegible]	— ⅜
3228	Sherritt	$6⅞	6⅜	6⅝	— ⅛
22500	Slater B f	$15¾	15¼	15½	+ 1
24400	Southam	$24⅝	24½	24⅝	
11143	Spar Aero f	$28	27½	27⅝	— ⅛
10679	Stelco A	$26½	26⅛	26⅛	— ⅛
4000	Sulpetro	54	45	45	— 5
940	Teck Cor A	$22¼	22	22	— ¼
4102	Teck B f	$21⅞	21½	21⅝	+ ⅛
7976	Tex Can	$28¼	28	28	
62386	Thom N A	$30⅜	29½	29⅝	+ ⅜
63743	Tor Dm Bk	$24	23⅝	23⅞	+ ⅛
44290	Torstar B f	$30½	30	30⅛	
14950	Traders A f	$48	46	48	+ 2
1000	Trns Mt	$11⅛	11⅛	11⅛	
1000	Trinity Res	51	51	51	— 2
22340	TrnAlta UA	$28⅜	28⅛	28⅛	— ⅛
140527	TrCan PL	$18	17⅞	17⅞	— ⅛
2894	Trimac	235	225	230	
66688	Triton A	$34⅝	32½	34⅛	+1⅝
70	Trizec A f	$38⅞	38⅝	38⅞	— ⅜
9180	Turbo	48	48	48	
7531	Unicorp A f	$10½	10¼	10½	+ ⅛
100	Un Carbid	$16¼	16¼	16¼	+ ⅛
12700	U Entrprise	$12⅝	12⅛	12⅛	— ⅛
1700	U Keno	$7¼	7⅛	7⅛	— ⅛
1800	Verstl A f	330	320	320	
3800	Vestgron	108	104	106	— 2
21630	Wardair	$16⅞	15⅞	[illegible]	— ⅜
12432	Weldwod	$24½	24¼	[illegible]	
2200	Westmin	$7⅞	7⅝	7⅞	+ ⅛
10029	Weston	$33⅞	33¼	33¼	— ½
10229	Woodwd A	$7⅞	7⅝	7⅝	— ⅛

Total sales 17,004,778 shares

	Close	Previous
TSE 300 Index:	1,466.29	1,466.45

Montreal *May 23*

Sales	Stock	High	Low	Close	Chg.
105317	Bank Mont	$30⅝	30⅛	30⅛	— ⅛
600	BombrdrA	$21⅞	21⅝	21⅞	+ ¼
9408	BombrdrB	$20⅝	20⅛	20⅛	— ⅛
500	CB Pak	$25⅝	25½	25½	— ⅜
69011	Cascades	$12⅝	12⅛	12⅛	
3199	ConBath	$24½	24¼	24¼	— ½
40985	DomTxtA	$23¼	23	23	
23592	Gaz Metro	$12¼	12	12	— ¼
2065	MntTrst	$27¼	26⅞	27	
122879	NatBk Cda	$28⅝	28⅛	28⅝	+ ¼
27046	Power Corp	$37	36½	36½	— ⅛
28854	Provigo	$19½	19⅛	19⅛	
8150	RollandA	$31	30	30⅞	+1½
23678	Royal Bank	$32¼	31⅞	31⅞	[illegible]
600	RoyTrstco	$32⅞	32⅝	32⅝	[illegible]
6007	SteinbrgA	$44⅝	44½	44½	

Total Sales 3,461,043 shares.

	Close	Previous
Industrials Index:	3,047.30	3,028.90

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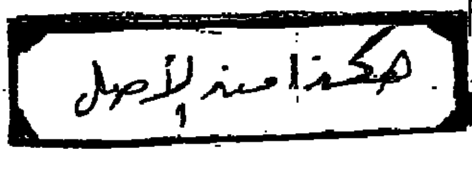


SPORTS

VANTAGE POINT/ George Vecsey

The Night of the '11 Dummies'

World Cup Memories of a Game and a Shrewd Barman

New York Times Service

NEW YORK — This was at the Ritz Hotel in [B]arcelona in June 1982. The cocktail lounge was dark [e]xcept for a huge television screen at the far end.

From the darkness, you could hear half a dozen [la]nguages — Catalan, Castilian, French, English, Ital[ia]n, German. Most of the people, except for the [G]ermans, of course, seemed to be rooting for the [F]rench national soccer team against the West Ger[m]ans in the semifinals of the World Cup.

Were people leaning that way because the French [te]am espoused a gallant, open style of attack that [e]arned them the nickname The Brazilians of Europe? [O]r were there deeper nationalistic passions at work?

It was not a good time to take a survey, because the [p]atrons of this elegant hotel, like people in Chile and [A]lgeria and China and even a few fringe lunatics in the [U]nited States, were intent on watching this crucial [ga]me. Perhaps as many as 1 billion fans were watching [th]e game being played on a sweltering night in Seville.

Now it is time for another World Cup, this one to [be]gin in Mexico on Saturday. Twenty-four nations [w]ill be sending teams, perhaps even to produce anoth[er] game like the one between France and West Germa[n]y, that people can talk about decades later.

□

[N]ot many American-born journalists are enthusias[tic] about soccer, a game of low scores and no hands [ex]cept for the goalie, but I come by my enthusiasm [ho]nestly. It was spawned by two seasons on the [Ja]maica High School soccer team in New York in the [m]iddle '50s, on a team containing hyphenated Ameri[ca]ns from Germany, Italy, France, Colombia and [G]reece as well as Americans from Puerto Rico.

The love of soccer (in my house, we call it *futbol*; the [s]anctimonious business with all the padding and the [he]lmets is American football) never left me. I've seen [th]e classic film about England's home-team victory in [19]66, and I covered the post-Pelé decline of the North [Am]erican Soccer League, and in 1982 The New York [Ti]mes sent me to Spain to cover the World Cup.

What a jolt it was to realize that the World Cup [or]ganizers didn't bother putting a press guide togeth[er]. reporters are supposed to know all the players. The [pla]yers don't give interviews after a game; soccer [sup]porters are lordly theater critics, not lowly interview[ers]. And there were no North American frills like the [Co]smos Girls or Bugs Bunny on the sidelines.

There was just the sport — more complex, more [ski]lled than any North American soccer game I had [see]n. How could a man dribble upfield like Falcão of [Br]azil? How could a man kick as hard as Karl-Heinz [Ru]mmenigge of West Germany? How could a man [def]end as ruthlessly as Claudio Gentile of Italy? How could a man score three ways — off his head, on a shot after dribbling, and on a pass from a teammate — in one game like Zbigniew Boniek of Poland?

Amazing things happened in Spain and throughout the world that month because of the World Cup. People killed themselves because their teams lost. Fans from England became unpopular because of their drinking and brawling. In Bilbao, Sheikh Fahd al-Sabah, head of the Kuwait Football Federation, strode to the edge of the field, his black robe flowing, during a protest of a goal by France against his team.

In Gijón, Spaniards and Algerians whistled derisively as West Germany and Austria waltzed through an insipid 1-0 German victory, the low score of which allowed Austria to go through to the next round instead of gallant Algeria. Poles carried Solidarity banners through the stands during a 0-0 tie that eliminated the Soviet Union.

But the moment I remember best was the evening in the Ritz Hotel in Barcelona. I had just come from covering Italy's victory over Poland, and it was quickly apparent that France was the emotional favorite in the darkened lounge, particularly after the West German goalkeeper, Harald Schumacher, ran over Patrick Battiston of France in the 60th minute.

The game was tied at 1-1 going into a 30-minute overtime, and I walked to the back for a beer. Peering toward the screen, I saw France score in the first minute of overtime, as the German patrons groaned and others cheered. West Germany sent in Rummenigge, who had sat out with a thigh injury, but France scored again in the eighth minute, for a 3-1 lead.

The French were not content. They continued to press the open-field attack rather than fall back into a defensive posture.

I will never forget the scowl on the bartender's face as we watched France trying to advance the ball.

"*Once tontos*," he muttered. Eleven dummies. And he was right. West Germany scored in the 12th minute and again in the 18th.

The tie necessitated a sudden-death shoot-out of penalty goals. Schumacher stopped Maxime Bossis, but Horst Hrubesch kicked a goal past Jean-Luc Ettori, and all around the world, hundreds of millions of people stumbled away from the television set, muttering about France's foolhardy gesture.

Italy beat West Germany three days later in Madrid to reign for four years as soccer's champions. They will both be back in Mexico, as will France and Brazil and most of the powerhouses, along with unheralded Iraq and South Korea and Canada, too. The whole world will be watching, perhaps including the bartender at the Ritz Hotel in Barcelona, to see if anybody qualifies for the dreaded Once Tontos award this time around.

The Cup Is Coming: Burdened Mexico Stands Taller

By William Stockton
New York Times Service

MEXICO CITY — The fever is filling the air here and all of Mexico is but a hair's breadth away from seemingly complete soccer mania.

Every four years, the world's best national soccer teams gather for the tournament that is the world's largest, most widely watched sporting event, particularly in this era of communications satellites and worldwide television broadcasts. This time, Mexico is host to the festival, starting Saturday and lasting a month.

Estimates are that a total of 9 billion fans in 156 countries will watch the 52 games that will decide the next world soccer champion. The championship game in giant Azteca Stadium on June 29 is expected to be watched by 110,000 in the arena and 2 billion on television.

Mexico is a soccer-crazy country, the kind of place where many a father's first gift to his son is a soccer ball.

And as the World Cup, or Mundial, approaches, Mexicans are ecstatic at the prospect.

One reason is that Mexico is the only country ever to be the World Cup host twice. The first time was in 1970.

As host, the Mexican team automatically got a berth. Italy, the defending champion, also got an automatic spot. The other 22 teams have labored mightily for the honor.

In an era of economic crisis brought about by fallen oil prices, vast foreign debt and high inflation, the Mundial is, for Mexicans, an affirmation of Mexico's place in the world.

The diversion that the games will provide, even if the Mexican team falls on its face in the opening round and is eliminated, will be a boost for the morale of the country, particularly for the lower classes who have watched their real wages slowly shrink in recent years to levels of the 1960s.

The few objections to what the World Cup might be costing have been mild.

The government is also hoping for a shot in the arm for its tourist industry, which hasn't grown as fast as hoped in recent years. About 40,000 tourists are expected, including 8,000 from Britain. The Britons' arrival, because of their rowdyism in their own country and Europe, is viewed with mixed emotion by Mexican officials.

Hotels in the nine cities where the World Cup games are being played have been allowed to raise their rates for the month of June to the levels that resort hotels on the Pacific and Caribbean coasts charge. So a hotel room in the city of Toluca 45 minutes from Mexico City that normally would cost 14,000 pesos a night — about $26.70 — will cost 46,000 pesos for the duration.

Prices in restaurants are likely to be increased, too.

Still, the peso has been steadily declining, standing at 525 to the dollar last week. It represents a bargain for American travelers, but an even greater bargain for Europeans, whose currencies have risen against the dollar in the past year.

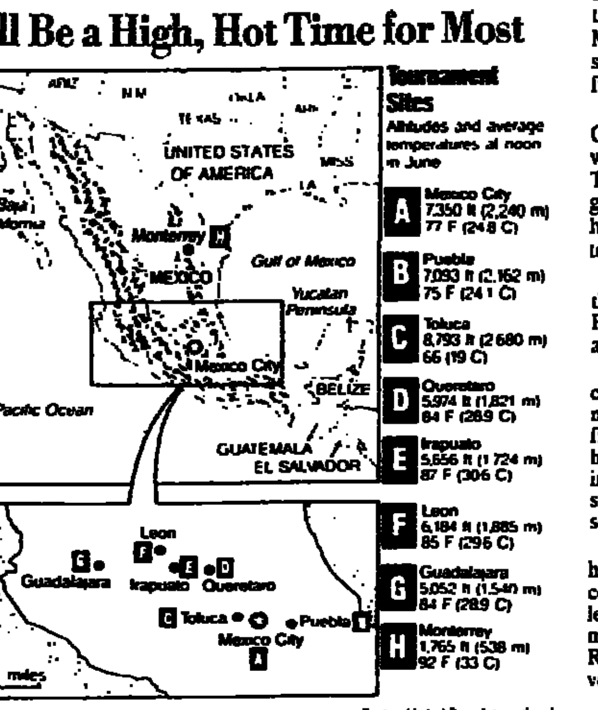
Ten days before the first game, about 70 percent of the 3 million tickets available had been sold. Of those sold, about 300,000 were bought outside Mexico.

The organizers brush off speculation that ticket sales haven't been as brisk as hoped and that financial disaster might loom.

Initially, tickets had to be purchased as a block to all the games of a seeded series in any given city. But World Cup officials said they planned a few days before the start of play to offer the remaining tickets on a per-game basis, apparently to stimulate sales.

Individual tickets to each game will cost from $3 to $50 per seat.

It'll Be a High, Hot Time for Most



Reuters-United Press International

But tickets bought as part of a series range widely in cost, depending on the city. For a series in Irapuato, seats range from $9 to $150 each. The cost of a series in Mexico City ranges from $39 to $650 each.

Such ticket prices mean that the typical Mexican worker would have to invest a day's pay — the minimum wage is equal to about $3 per day here — to buy the cheapest possible stadium seat.

Ticket scalpers have been running advertisements in Mexico City newspapers for weeks now, offering the best tickets for sale. One offered a series of tickets for the games in Mexico City for $1,100.

Lowest ticket sales have been experienced so far at four sites — Toluca, León and Irapuato and at the Neza stadium in Mexico City, which sits in the midst of a vast slum.

Some cities and towns are planning to set up television screens in public areas so people who don't own a set can see the games.

Normally, a World Cup host country wins its bid six years in advance and has ample time to prepare. Colombia was to be the 1986 host, but three years ago the Colombians bowed out, saying they lacked the financial resources to pull off a World Cup.

Mexico put forth a determined bid to replace Colombia, after President Miguel de la Madrid gave the nod, and, according to accounts circulating here, received promises from Emilio Azcárraga Milmo, head of Televisa SA, the giant Spanish language television conglomerate, that Mexico's private sector would shoulder the organizational and financial burdens.

Mexico won the bid — over Canada and the United States — with only three years to get ready. The burden of pulling it all together fell to Guillermo Canedo, head of the Organizing Committee of the World Cup '86.

Canedo is a vice president of the Fédération Internationale de Football Association, FIFA, and also a senior executive at Televisa.

Canedo and the organizing committee have been extraordinarily secretive about World Cup financial arrangements. No data have been released about operating costs, salaries of the 2,000 or so committee employees or sources of income.

A contingent of 11 sponsors has been pulled together, such concerns as Coca-Cola Co., Gillette Co., the Japanese electronics manufacturer Victor Co. and R.J. Reynolds Tobacco. They can advertise in the stadiums.

A larger group of commercial "collaborators" can use the World Cup logo with their products, loaning or donating equipment in return.

Television rights for the World Cup are sold by FIFA. It, in turn, has sold them to other television organizations that will feed game telecasts throughout the world.

Readying facilities has been a huge task. Besides seeing that all 12 stadiums were ready for the players and spectators, organizers have had to install satellite earth stations at each stadium for the television transmissions and install thousands of telephone lines.

A new press center, which reportedly cost $4 million, has been built in downtown Mexico City. Organizers report that 15,000 foreign and Mexican journalists, broadcasters and technicians have been accredited.

Rain Postpones Indy 500; New Delay Seems Imminent

The Associated Press

INDIANAPOLIS — The scheduled starting time of the Indianapolis 500 came and went for the second day in a [r]ow Monday, as rain kept the [3]3 cars entered in the race from [l]eaving their garages.

The victory dinner originally scheduled for Monday night was canceled.

The forecast called for more [r]ain through most of the week, threatening to make this the most-postponed race in the Indy's 75-year history. It took three days to get the 1973 race completed.

If the 500 is run Tuesday, the United States will not see it as it happens. ABC, which had planned to televise it live on Sunday or Monday, will videotape it for showing later.

The cars spent only about two hours in the pits Sunday, pushed there by crewmen when the rain let up briefly. They never got that far Monday.

Even the tow trucks, wreckers, vans and sedans that circled the asphalt Sunday in hopes of drying it out remained off the track today. The rain never stopped, although it did ease up from an early-morning downpour to a drizzle by noon, the scheduled starting time.

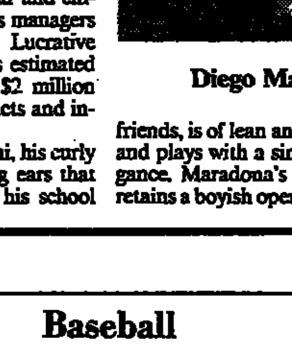
Perhaps only 10 percent of the more than 350,000 people who showed up Sunday were at the Speedway on Monday.

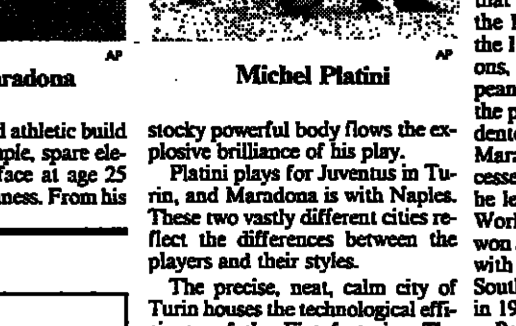
A World Apart in Style, Platini and Maradona Share Genius, Cup Hopes

By Paul Gardner
New York Times Service

NEW YORK — High on everyone's lists of countries favored to win the World Cup are France and Argentina, and high among the reasons are the team captains, Michel Platini and Diego Armando Maradona, two players who vie for the unofficial title of the world's best: Two players who — like so many of the world's top stars — have left their native lands to play in the soccer El Dorado that is Italy. There they each earn salaries of close to $1 million a year and employ agents and business managers to handle their affairs. Lucrative affairs indeed: Platini is estimated to have earned nearly $2 million from commercial contracts and investments in 1985.

The 30-year-old Platini, his curly hair covering protruding ears that used to be mocked by his school friends, is of lean and athletic build and plays with a simple, spare elegance. Maradona's face at age 25 retains a boyish openness. From his stocky powerful body flows the explosive brilliance of his play.


AP
Diego Maradona


AP
Michel Platini

Platini plays for Juventus in Turin, and Maradona is with Naples. These two vastly different cities reflect the differences between the players and their styles.

The precise, neat, calm city of Turin houses the technological efficiency of the Fiat factories. The atmosphere seems made for Platini, the master tactician of modern soccer, who plays with the technical proficiency of a business manager, his passes exact, his runs and dribbles sharp and effective, without flourishes or frills.

Maradona is the emotional artist, his play swirling with the colorful, muscular rhythms of a Van Gogh. Small wonder that he has been taken so lovingly to heart by the passionate, chaotic, sun-drenched city of Naples.

Even though both players are ostensibly attacking midfielders, each brings a different interpretation to the role. Platini is the team player par excellence; Maradona is more an individual genius whose play is studded with sudden moments of sheer inventive brilliance.

Both Maradona and Platini have mastered the deadly art of swerving and dipping the ball on free kicks — Platini with his right foot, Maradona with his left — and both have scored many goals this way.

If comparisons there must be, then it is perhaps Platini who emerges the stronger. The fact is that Platini's teams win. France is the European champion, Juventus the Italian and world club champions, and Platini has won the European Player of the Year award for the past three years — an unprecedented achievement. Against this, Maradona can offer no recent successes. In 1979, as an 18-year-old, he led Argentina to victory in the World Youth Championship. He won an Argentine first division title with Boca Juniors in 1981 and was South American Player of the Year in 1980 and 1981.

Pelé has no doubts. "For me, Platini is the best, the most complete player in the world today," he says.

As potential game winners, both have suffered the overtly physical attentions of opposing defenders. Watching Maradona play, England's coach, Bobby Robson, said, "He's terrific and so brave — he gets chopped down more than any player I've ever known."

Platini seems more skilled at evading scything tackles, and Maradona's detractors point to this as evidence that the Argentine has a lot to learn about when to pass and when to dribble. The criticism seems wide of the mark. Maradona will always be a player who holds the ball more than most. It is the essence of his game.

The problem, perhaps, lies more with the attitude of modern referees who so often look on complacently while defenders systematically commit fouls. In the 1982 World Cup, Maradona was almost totally ineffective in Argentina's game against Italy — but only because the defender Claudio Gentile was repeatedly allowed to bring him down whenever he threatened.

Brazil eliminated Argentina in the second round of that tournament, but Maradona is optimistic about this World Cup.

"It is our turn," he said recently in Paris, where Argentina lost to France, 2-0, in a warm-up match. "The South Americans will get the advantages in Mexico — just as the Europeans got them in Spain. I expect the referees to be much stricter. They will not allow defenders to foul; they will protect the attacking players."

Platini, who will turn 31 during the tournament, will be playing in his third World Cup, and almost certainly his last.

"I'm not going to make any boasts," he said in an interview with the magazine World Soccer, "but France has a good group of players, and it's amazing how a little success early in the tournament can carry you through."

Maradona seems more openly confident. "Argentina can win the World Cup. We have the players and — important in Mexico — we know how to save energy by holding the ball, by making it work for us," he says.

Off the field, Platini is a quiet man, his image one of worldly shrewdness, a man who has few friends, who charges a fee even for press interviews.

After he had led France to victory in the 1984 European championship, Platini slipped quietly away as the party to celebrate the triumph was getting under way. He values his privacy. "My family is very important to me," he says. "My wife and my two young children are my refuge from all the pressure of being what I have become to the outside world."

For the unmarried Maradona, "family" means his mother and father and seven brothers and sisters.

Maradona is a gregarious type who would love to mix with his fans openly. But he finds it impossible in Naples, where his fame and the unrestrained adulation of the Neapolitans can turn a quiet visit to a restaurant into a mob scene.

When Argentina and France met in Paris earlier this spring, Platini dropped out of the game with a last-minute injury. One Parisian journalist said, "Maybe he's injured, but he knows the sort of game where he will be compared with Maradona cannot mean anything. Only the World Cup is important for him now." Maradona played in the game, but poorly.

In Mexico, an Argentina-France final is a possibility, with the two No. 10s, Maradona and Platini, shaking hands before the game. It would be a fascinating confrontation. And whoever won, it would not settle a thing about who is the better player.

Lendl, Evert, Becker Start Fast in French Open

Compiled by Our Staff From Dispatches

PARIS — Ivan Lendl, top-seeded among the men, and Chris Evert Lloyd, the defending women's champion, scored straight-set victories Monday on the first day of the French Open.

Boris Becker, the third-seeded man, defeated Jerôme Potier of France, 6-0, 6-3, 6-0, and Stefan Edberg, the Swede who is the fifth seed, beat Shahar Perkiss of Israel, 6-3, 3-6, 6-4, 6-1.

Lendl, shaking off a lingering knee injury, routed West Germany's Michael Westphal, 6-3, 6-3, 6-4. Westphal is ranked 79th in the world.

"I feel I am playing solid, nothing spectacular, but solid," Lendl said. "I was able to get some practice and treatment in Rome last week. It all went very well."

Earlier on the center court of Roland Garros stadium, Evert Lloyd beat the French junior champion, 17-year-old Cécile Calmette, 6-0, 6-1.

"I knew I was playing a French girl on center court," Evert Lloyd said. "I didn't want to get out there and just be casual about it."

Evert Lloyd is the second-seeded woman. Top-seeded Martina Navratilova begins play Tuesday.

Seeded players had a relatively easy time Monday, a day of sunshine and warm temperatures.

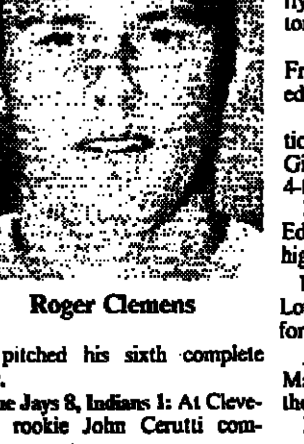
Among the men, 12th-seeded Guillermo Vilas of Argentina defeated Chile's Pedro Rebolledo, 6-1, 6-1, 6-4; and the leading American entrant, 13th-seeded Johan Kriek, beat Carlos Kirmayr of Brazil, 6-1, 7-6 (7-2), 6-2.

Among the women, third-seeded Steffi Graf of West Germany beat a compatriot, Andrea Betzner, 6-1, 6-0; sixth-seeded Helena Sukova of Czechoslovakia beat Italy's Sabina Simmonds, 6-4, 6-2, and ninth-seeded Gabriela Sabatini of Argentina beat Japan's Etsuko Inoue, 6-1, 6-1. (AP, UPI)

Boston's Clemens Loses No-Hitter in 8th, but Beats Texas

United Press International

ARLINGTON, Texas — Last month, Roger Clemens set a major league strikeout record, 20, for a nine-inning game. On Sunday, he came just short of another milestone, a no-hitter.


Roger Clemens

BASEBALL ROUNDUP

The Boston hurler pitched 7⅔ no-hit innings, then settled for a two-hitter as the Red Sox beat the Texas Rangers, 7-1.

The first hit against Clemens was Oddibe McDowell's sinking liner with two outs in the eighth that just eluded center fielder Steve Lyons. Darrell Porter hit a home run for Texas in the ninth.

Tigers 2, A's 1: At Detroit, Darnell Coles's sacrifice fly in the eighth inning drove in the tie-breaking run for the Tigers.

Twins 4, Brewers 3: At Bloomington, Minnesota, Mike Smithson pitched his sixth complete game.

Blue Jays 8, Indians 1: At Cleveland, rookie John Cerutti combined with Bill Caudill on a two-hitter for Toronto.

Yankees 8, Angels 5: At New York, Mike Pagliarulo drove in four runs for the Yankees.

Royals 2, White Sox 1: At Kansas City, Jim Sundberg's sacrifice fly scored Jamie Quirk in the bottom of the 17th inning.

Orioles 6, Mariners 3: At Seattle, Fred Lynn and Rick Dempsey belted two-run homers for the Orioles.

Giants 11, Expos 3: In the National League, at San Francisco, Giants pitcher Mike LaCoss went 4-for-4.

Reds 7, Pirates 4: At Pittsburgh, Eddie Milner's two-run double highlighted a five-run seventh.

Braves 6, Cardinals 2: At St. Louis, Billy Sample hit a home run for Atlanta on the first pitch.

Astros 3, Cubs 1: At Chicago, Mark Bailey doubled in two runs in the 11th inning for Houston.

Dodgers 5, Phillies 2: At Los Angeles, Bill Madlock drilled a two-run single in the seventh.

Mets 4, Padres 2: At San Diego, Darryl Strawberry scored the winning run on a wild pitch by Lance McCullers in the 11th inning.

Sutton Sets Record, Wins Nicklaus Golf

United Press International

DUBLIN, Ohio — Hal Sutton shot a 4-under-par 68 on Sunday to finish with a tournament-record 271 and a four-stroke victory over Don Pooley in the Memorial tournament, hosted by Jack Nicklaus.

The previous record, 280, had been held by Nicklaus, David Graham and Andy Bean, Johnny Miller and Mark O'Meara tied for third at 276.

SCOREBOARD

Tennis

[Fr]ench Open

FIRST ROUND
(At Paris)
MEN'S SINGLES

[Gui]llermo Vilas? — [..]ime Yzaga, Peru, def. Victor Pecci, Paraguay, 6-3, 5-7, 7-5, 7-5; Horacio de la Pena, [Arg]entina, def. Libor Pimek, Czechoslovakia, 6-4, 7-6 (7-2); Jose Lopez-Maeso, Spain, [def.] Bruno Dadillon, France, 6-1, 6-3, 6-3; Milan [Srej]ber, Czechoslovakia, def. Ken Flach, U.S., [7-6] (7-5), 6-2, 6-2; Jean-Philippe Fleurian, [Fran]ce, def. Stephane Medem, Switzerland, 6-2, 6-2.

[Da]rren Cahill, Australia, def. Julio Goes, [Braz]il, 4-6, 6-3, 6-2, 6-0; Eliot Teltscher, U.S., [def.] Danie Visser, South Africa, 6-2, 6-2, 6-0; [Guil]lermo Vilas (12), Argentina, def. Pedro [Reb]olledo, Chile, 6-1, 6-1, 6-4; Marian Vajda, [Cze]choslovakia, def. Christian Miniussi, Argentina, 4-6, 6-1, 6-4, 7-5; Simon Youl, Australia, def. Leonardo Lavalle, Mexico, 6-3, 4-6, 6-4, 6-7 (4-7), 9-7.

[Jo]akim Nyström? — [..]kael Pernfors, Sweden, def. Olivier Delaitre, France, 7-6 (7-2), 6-4, 6-2; Eric Jelen, [Wes]t Germany, def. Slobodan Zivojinovic, Yugoslavia, 7-6 (7-5), 7-6 (7-4), 6-4; Bruno Oresar, [Yugo]slavia, def. Eddie Edwards, South Africa, 6-7 (7-5), 6-0, 6-0; Ivan Lendl (1), Czechoslovakia, def. Michael Westphal, West Germany, 6-3, 6-3, 6-4.

[Jo]han Kriek (13), U.S., def. Carlos Kirmayr, [Braz]il, 6-1, 7-6 (7-2), 6-2; Robert Seguso, U.S., [def.] Mark Kratzmann, Australia, 4-6, 6-3, 7-4, [..] 6-3; Jan Gunnarsson, Sweden, def. Tom Nijssen, the Netherlands, 6-1, 6-3, 6-3. Stefan Edberg (5), Sweden, def. Shahar Perkiss, Israel, 6-3, 3-6, 6-4, 6-1; Boris Becker (3), West Germany, def. Jerome Potier, France, 6-0, 6-3, 6-0.

WOMEN'S SINGLES

Regina Marsikova, Czechoslovakia, def. Kathy Horvath, U.S., 6-4, 6-1; Carling Bassett (13), Canada, def. Catherine Tanvier, France, 7-5, 6-3; Annabel Croft, Britain, def. Helena Dahlstrom, Sweden, 6-3, 6-3; Michelle Torres, U.S., def. JoAnne Russell, U.S., 6-3, 6-3; Chris Evert Lloyd (2), U.S., def. Cecile Calmette, France, 6-0, 6-1.

Iva Budarova, Czechoslovakia, def. Kate Gompert, U.S., 6-1, 6-0; Mercedes Paz, Argentina, def. Beth Herr, U.S., 6-7 (3-7), 7-6 (7-3), 6-1; Catarina Lindqvist (12), Sweden, def. Grace Kim, U.S., 6-2, 6-1; Anne Smith, U.S., def. Jennifer Mundel, South Africa, 6-1, 6-3; Pascale Etchemendy, France, def. Barbara Gerken, U.S., 6-3, 6-0.

Helena Sukova (6), Czechoslovakia, def. Sabina Simmonds, Italy, 6-1, 6-2; Federica Bonsignori, Italy, def. Amanda Dingwall, Australia, 6-0, 6-0; Louise Field, Australia, def. Elizabeth Smylie, Australia, 6-1, 6-3; Camille Benjamin, U.S. def. Kathy Jordan (11), U.S., 1-6, 6-2, 6-3; Catherine Suire, France, def. Alycia Moulton, U.S., 5-7, 6-4, 6-3.

Bettina Bunge, West Germany, def. Marie Calleja, France, 6-1, 6-2; Ivanna Madruga, Argentina, def. Ann Henricksson, U.S., 6-3, 7-5; Eva Krapl, West Germany, def. Isabel Cueto, West Germany, 2-6, 6-1, 6-3; Masako Yanagi, Japan, def. Akiko Kijimuta, Japan, 3-6, 7-6 (7-4), 8-6; Gabriela Sabatini (9), Argentina, def. Etsuko Inoue, Japan, 6-1, 6-1; Steffi Graf (3), West Germany, def. Andrea Betzner, West Germany, 6-1, 6-0.

Reuters
Chris Evert Lloyd
. . . . beating Calmette.

Davis Cup

EUROPEAN ZONE, GROUP A
First Round
Poland 3, Finland 1
(At Warsaw)

Olli Rahnasto, Finland, def. Lech Bienkowski, Poland, 3-6, 6-4, 7-5, 6-2.
Waldemar Rogowski, Poland, def. Leo Palin, Finland, 6-2, 4-6, 6-2, 6-1.

Hockey

[NH]L Playoff Leaders

NHL leaders through the Stanley Cup:

SCORING

	G	A	Pts
[..]ur, StL	9	12	21
[..]ro, StL	7	14	21
[..]n, Cal	12	7	19
[..]ky, Edm	8	11	19
[..]nd, Mtl	8	11	19
[..]nis, Cal	4	15	19
[..]nald, Cal	11	7	18
[..]ort, Cal	5	13	18
[..]wski, StL	10	7	17
[..]che, NYR	8	9	17
[..]ux, Mtl	10	6	16

GOALTENDING
(Top 15 Goalies)
([E]mpty-net goals in parentheses)

	MP	GA	SO	Avg
	1218	39	1	1.92
[..]eal (2)	1218	41	1	2.02
	441	14	1	1.90
	169	8	0	2.84
[..]rd (1)	618	28	1	2.36
[..]s	544	24	0	2.65
[..]ngton	544	24	0	2.65
	60	1	0	1.00
	541	28	0	3.11
[..]tten (1)	681	38	0	3.00
[..]t	1229	60	0	2.93
[..]n	109	7	0	3.85
[..]y (2)	1338	69	0	3.09
[..]et	607	32	1	3.16
[..]o (1)	687	32	1	3.24
	60	3	0	3.00
[..]d	120	7	0	3.50
	180	10	0	3.33
[..]sbrouck	899	49	1	3.27
	75	6	0	4.80
[..]neers	974	55	1	3.39
[..]e	300	17	0	3.40
[..]ots (1)	308	18	0	3.40
	293	15	0	3.07
[..]tobia (2)	309	18	0	3.40

Baseball

Sunday's Line Scores

AMERICAN LEAGUE

Oakland 100 000 000—1 4 1
Detroit 000 010 01x—2 8 0
Young, Ontiveros (8) and Willard; Terrell and Parrish. W—Terrell, 6-1. L— Young, 2-1.

Toronto 237 000 020—8 11 1
Cleveland 100 000 000—1 2 1
Cerutti, Caudill (9) and Whitt; Schrom, Kern (2), Yett (8) and Allanson. W—Cerutti, 1-1. L—Schrom, 3-2. HRs—Tor., Garcia (1), Fernandez (1), Mulliniks (3).

Milwaukee 010 000 020—3 11 0
Minnesota 300 010 00x—4 8 0
Wegman and Moore; Smithson and Reed. W—Smithson, 5-3. L—Wegman, 0-5. HRs—Mil., Deer (7). Min., Hrbek (7).

California 000 000 320—5 10 0
New York 122 000 03x—8 12 1
McCaskill, Corbett (8), Forster (8) and Boone, Narron (7), Miller (8); Guidry, Fisher (7), Holland (8) and Wynegar, Hassey (9). W—Holland, 1-0. L—Corbett, 0-1. HRs—N.Y., Henderson (8), Pagliarulo (8).

Boston 040 100 011—7 15 0
Texas 000 000 001—1 2 0
Clemens and Sullivan; Mason, R.Wright (5), Henry (7), Harris (8) and Porter. W—Clemens, 8-0. L—Mason, 4-1. HRs—Bos., Boggs (5). Tex., Porter (4).

Chicago 000 000 010 000 000 00—1 8 2
Kansas City 000 000 010 000 000 01—2 12 0
J.Davis, Nelson (10), McKeon (14), Dawley (15) and Skinner, Hill (11); Leonard, Quisenberry (10), Black (11), Bankhead (14) and Quirk, Sundberg (14). W—Bankhead, 1-0. L—Dawley, 0-3. HR—K.C., Balboni (6).

Baltimore 010 022 001—6 13 1
Seattle 210 000 000—3 10 0
Boddicker and Dempsey; Moore, Wilcox (7) and Yeager. W—Boddicker, 5-1. L—Moore, 2-6. HRs—Bal., Lynn (6), Dempsey (5).

NATIONAL LEAGUE

Cincinnati 001 001 500—7 14 0
Pittsburgh 000 001 030—4 9 1
Denny, R.Robinson (8) and Butera; Kipper, McWilliams (7), DeLeon (8) and Pena. W—Denny, 3-5. L—Kipper, 0-4. HRs—Cin., Davis (4). Pit., Ray (2).

Atlanta 222 000—6 7 0
St.Louis 100 01x—2 5 1
Mahler and Benedict; Conroy, Ownbey (2) and Lavalliere. W—Mahler, 4-4. L—Conroy, 2-2. HR—Atl., Sample (3).

Houston 010 000 000 02—3 7 0
Chicago 000 000 100 00—1 6 0
Scott, Kerfeld (9), D.Smith (11) and Ashby; Sanderson, Fontenot (8), L.Smith (10) and J.Davis. W—Kerfeld, 4-1. L—L.Smith, 2-4. Sv—D.Smith (11).

Philadelphia 010 100 000—2 5 0
Los Angeles 200 000 21x—5 6 0
K.Gross and Daulton; Hershiser and Scioscia. W—Hershiser, 5-3. L—K.Gross, 5-3. HRs—Phil., Daulton (6). L.A., Stubbs (6).

Montreal 300 000 000—3 4 3
San Francisco 050 102 30x—11 16 0
Smith, Schatzeder (4), Roberge (7), Parrett (8) and Fitzgerald, Bilardello (7); LaCoss, M.Davis (9) and Brenly. W—LaCoss, 5-1. L—Smith, 3-4. HR—Mon., Wallach (8).

New York 001 000 010 02—4 11 1
San Diego 200 000 000 00—2 7 0
Ojeda, Orosco (8) and Hearn; Show, Gossage (8), Lefferts (11), McCullers (11), Walter (11) and Bochy. W—Orosco, 1-2. L—Lefferts, 3-2.

Major League Leaders

AMERICAN LEAGUE

	G	AB	R	H	Pct.
Yount Mil.	38	140	25	52	.371
Boggs Bos.	41	155	30	57	.368
Puckett Min.	43	183	27	67	.366
Lynn Bal.	39	137	22	45	.328
Mattingly N.Y.	43	180	26	59	.328

Runs: RHenderson, N.Y., 42; Puckett, Min., 37; Phillips, Oak., 35; Joyner, Cal., 32; OBrien, Tex., 32.

RBI: Canseco, Oak., 41; Joyner, Cal., 39; Mattingly, N.Y., 35; Murray, Bal., 34; LAParrish, Tex., 32; Puckett, Min., 32.

Home Runs: Joyner, Cal., 15; Canseco, Oak., 13; Puckett, Min., 13; Gaetti, Min., 11; 4 are tied with 9.

Stolen Bases: RHenderson, N.Y., 31; Canseco, Chi. 22; Moseby, Tor., 12; Wiggins, Bal., 12; Butler, Clev., 11.

PITCHING (5 decisions)

Won-Lost/Winning Pct./ERA: Clemens, Bos., 8-0, 1.000, 2.49; Haas, Oak., 7-1, .875, 2.54; Terrell, Det., 6-1, .857, 3.82; Boddicker, Bal., 5-1, .833, 3.35; 5 are tied with .800.

Strikeouts: Clemens, Bos., 81; Hurst, Bos., 77; Higuera, Mil., 70; Rijo, Oak., 65.

NATIONAL LEAGUE

	G	AB	R	H	Pct.
Gwynn S.D.	41	164	28	59	.360
Ray Pit.	37	149	19	53	.356
Brooks Mon.	38	152	28	52	.342
CBrown S.F.	35	130	19	44	.338
Sax L.A.	40	152	25	50	.329

Runs: WClark, S.F., 31; Raines, Mon., 29; Brooks, Mon., 28; Gwynn, S.D., 28; Marshall, L.A., 28.

RBI: Brooks, Mon., 38; Marshall, L.A., 35; Schmidt, Phil., 32; Horner, Atl., 30; Wallach, Mon., 29.

Home Runs: Brooks, Mon., 12; Marshall, L.A., 12; Garvey, S.D., 9; McReynolds, S.D., 9; Parker, Cin., 9.

Stolen Bases: Duncan, L.A., 19; Coleman, St.L., 18; Raines, Mon., 16; Doran, Hou., 14; EDavis, Cin., 13.

PITCHING (5 decisions)

Won-Lost/Winning Pct./ERA: Darling, N.Y., 5-0, 1.000, 3.81; Ojeda, N.Y., 6-1, .857, 1.70; LaCoss, S.F., 5-1, .833, 1.91; Fernandez, N.Y., 4-1, .800, 3.06; Kerfeld, Hou., 4-1, .800, 1.27; Knepper, Hou., 8-2, .800, 1.97.

Strikeouts: Scott, Hou., 87; Valenzuela, L.A., 72; Welch, L.A., 61; ZSmith, Atl., 61.

Major League Standings

AMERICAN LEAGUE
East Division

	W	L	Pct.	GB
Boston	28	14	.667	—
New York	28	15	.651	½
Baltimore	25	16	.610	2½
Cleveland	22	20	.524	6
Milwaukee	21	20	.512	6½
Detroit	20	20	.500	7
Toronto	20	24	.455	9

West Division

	W	L	Pct.	GB
Texas	21	21	.500	—
California	21	22	.488	½
Oakland	21	23	.477	1
Kansas City	20	22	.476	1
Chicago	18	23	.439	2½
Minnesota	16	27	.372	5½
Seattle	15	29	.341	7

NATIONAL LEAGUE
East Division

	W	L	Pct.	GB
New York	27	11	.711	—
Montreal	24	16	.600	4
St. Louis	16	23	.410	11½
Pittsburgh	15	22	.405	11½
Chicago	16	24	.400	12
Philadelphia	15	24	.385	12½

West Division

	W	L	Pct.	GB
Houston	23	18	.561	—
San Francisco	24	19	.558	—
Atlanta	22	20	.524	1½
San Diego	22	20	.524	1½
Los Angeles	22	22	.500	2½
Cincinnati	16	23	.410	6

ART BUCHWALD

Choice Summer Rentals

WASHINGTON — Thanks to the uncertainty abroad, many Americans have put their overseas travel plans on hold. Instead they are desperately trying to rent houses in the U. S. mountains and at the seashore. Newspapers are chock-full of classifieds for summer rentals. The problem is the properties are not necessarily what they are cracked up to be. Because people rarely get to see the summer homes they rent in advance, they have to take the description in the advertisement on faith. Sometimes this could be a mistake.

Buchwald

It took me seven months to break the code for summer rentals but it was worth it.

For example, when you read, "Charming two-bedroom, one-bath ranch house in forested area. Sleeps twelve, 20-minute drive to town," they're really talking about a matchbox in the woods that sleeps twelve, if everybody takes turns sleeping through the day and night. The house is indeed 20 minutes from town — if you drive 100 miles an hour.

Here's one: "Magic cottage overlooking the sea. Always a cool breeze blowing. Five thousand dollars for season. A steal due to minor work going on this summer." The minor work is an addition to the breakfast room and a new kitchen. The breeze is blowing through a hole in the side of the house.

This is one of my favorites. "House for rent by owner. Completely redone. Five bedrooms and playroom in basement. Color TV in family room. Swings, wading pool and sandbox on lawn. Fenced-in backyard. No children of any kind."

□

People, when advertising homes, use the word "dramatic" quite a bit. "Dramatic four-bedroom house in town, few minutes from beach." What makes this house dramatic is in order to get to the beach you have to run by a Hell's Angels clubhouse on the corner.

Beware of an advertisement that claims the house is "on the water" because that's very likely where it is.

A property that has the word "secluded" in the ad means no one will be able to find it.

I am not sure what a "sparkling" home means, but the word is usually used when an owner has little else to brag about.

□

"Spectacular" is the same as "sparkling." The only difference is "spectacular" has one-and-a-half baths instead of one.

A "new contemporary" is a house that was built in the early '60s. An "old contemporary" could mean anything and usually does.

If you see an advertisement that reads, "Unusual house built by owner," it means the dining room is in the basement and the washer and dryer are located in the bedroom.

Some people prefer the word "quaint." Now quaint could mean having to stoop to get in the front door or a climb up to a two-room apartment over the garage.

□

Here's one to look out for: "nestled," as in "Nestled in the forest by a stream." Houses like these always have plumbing problems, and because they are "nestled" no one will come out from town to fix them.

Even if you're not renting a summer place it's worth reading the real estate ads, because some of the best fiction in the country is now being printed there.

Part of Hampton Court Is Reopened to Public

The Associated Press

LONDON — Hampton Court, one of England's finest palaces, opened its south front to the public Monday for the first time since part of it was ravaged by fire two months ago.

Large crowds enjoying a long weekend turned up at the palace outside London on the Thames River, but were unable to go inside because debris is still being cleared. Damaged areas were screened off, and officials estimated that full renovation would take four years. The cause of the fire, in which an elderly woman died, has not been established.

Salman Rushdie: Caught Between Two Worlds

By Lloyd Grove
Washington Post Service

NEW YORK — "I feel — if I can say an unkind thing — that the English are at their best when you can outnumber them."

The words roll trippingly off Salman Rushdie's tongue in immaculate Cantabrigian. Close your eyes, and it's the voice of the empire — not of a wiry, dark-eyed expatriate Indian novelist furtively skinning alive his fellow man.

"Because then they have to behave themselves," Rushdie goes on. "They then have to accept that there are other views of the world. When the English are in force, you see, they become *conquistadores.*"

This from a chap, oddly enough, who has spent most of his 39 years in England being nurtured by its best schools and encouraged by its leading lights; whose closest friends (including an ex-wife) are English; whose only son is half English, and who is celebrated today — by the English — as one of the worthier writers alive.

"I felt I knew England. I felt I'd grown up in it, in a way," says Rushdie, whose epic phantasmagorias about the Indian subcontinent convey the disjointed reality of exile. "But the thing that really shook me was the Falklands war — the atavistic, jingoistic patriotism that was released. It was terrifying to behold.

"All the old imperial values were yanked out again, so that the popular press was inviting its readers to sponsor missiles, to send in money to pay for bombs which would then have the newspaper's logo printed inside.

"It was a hideous event inside English culture, in which perhaps the most hideous thing was that it was impossible to know which way your friends were going to jump. And I felt suddenly that I was among strangers. That in spite of all these years, I didn't know these people. That no matter how long I've been there, how well I've fit into the society, how well I understand its rules and play its games." He gazes gloomily into his glass of white wine.

"And at that point," he adds, "I began really seriously to think about leaving — and I haven't stopped."

© Isolde Ohlbaum

"Suddenly I was among strangers" in England."

If ever he does depart that sceptered isle, it's not clear where he would go. His well-to-do Moslem parents and other close relations now reside in Pakistan. Rushdie, born in Bombay, feels more at home in India. And while he treks to both countries now and then, he always manages to return to Britain.

He first arrived, at age 14, to enroll in the Rugby School, went on to Cambridge, worked as an actor in fringe theater and as a copywriter in advertising and then, after publishing his first book, "Grimus," at 28, started thriving as a novelist.

"Midnight's Children" — the second and best known of his three novels so far — is the saga of modern India from the occasionally hallucinatory perspective of Saleem Sinai, born "on the stroke of midnight" on the new nation's first day, Aug. 15, 1947. (Rushdie had come into the world two months before.) After the book was published to great acclaim in 1980, the writer received an invitation to 10 Downing St. for lunch with Margaret Thatcher and Indira Gandhi, who was then in London for a festival of Indian culture.

As Rushdie tells the story — and he tells it as often as possible, grinning like a wicked little boy — he was startled at the invitation, not least because his novel was less than flattering to the Indian prime minister. Apparently no one on Thatcher's staff had bothered to read it — but Gandhi had. Indeed, at the time of her assassination in October 1984, she was still suing Rushdie in the British courts over a line suggesting that her "younger son Sanjay accused his mother of being responsible, through her neglect, for his father's death."

Rushdie phoned Thatcher's office to warn of the impending faux pas. The voice at the other end was horrified, but polite. An invitation was an invitation, the aide said glumly. Rushdie, too, was disappointed: He had been rather hoping it would have to be publicly withdrawn. The ball in his court, he decided to send his regrets — at which the aide sounded greatly relieved.

In the end it was Thatcher herself who guaranteed Rushdie the attention he desired. In a speech the following day, with Gandhi in attendance, Thatcher — distracted perhaps by the sinking British pound — managed to invoke "Midnight's Children" as a crowning example of the strength of the Anglo-Indian cultural bond. Then, to compound her gaffe, she added in a helpful aside to the Indian leader, "You remember Salman Rushdie — he's the man you met at lunch yesterday." At which Gandhi smiled strangely.

"Mrs. Thatcher will never ask me to lunch again, of course," Rushdie says with an air of deep satisfaction. "She also knows that I've told this story — and Mrs. Thatcher is a vengeful woman."

Currently in the throes of his fourth novel, "The Satanic Verses" (involving Indian and Pakistani characters in London and — lest anyone confuse it with social realism — the Archangel Gabriel), he describes his creative labors as a settled routine.

"Every novel that I've ever written," he says, "has come about in the following way: For a long time I think I don't know what I have to write. Then gradually I begin to think of stories, fragments, incidents or characters, quite disjointedly, in such a way that there's no indication that these are part of one story. Then I begin to panic about not having a book to write. And so I try to formalize these vague notions, and I start trying to write things down.

"And then I have a moment of great optimism when I discover that I have nine novels to write that are going to occupy me for the next 20 years. And then I try and decide which one I'm going to write first. And then I ache more, waiting, and then everything disintegrates. And I realize I haven't even got one novel, let alone nine.

"And then, at some moment, I find, without quite knowing how, that all these fragments of ideas have in fact been part of a larger idea that, without knowing it, was really what I was thinking about — and that's the novel I have to write."

Thus "Shame," his most recent novel, synthesizes such disparate notions as "a wedding in which, at the last minute, there was a change in bridegroom, with comic results . . . three women who decide to share a child so intimately that the child never knows which of them is the mother . . . an image of contemporary politics as one of national tragedies being enacted by circus clowns . . . and a girl who was excessively receptive to the emotion of shame — in a way, she sucked it in and then a violence burst out of her."

Inevitably, Rushdie has been labeled a "magic realist," a term associated with Gabriel García Marquez and others who tend toward the fantastically grotesque. Rushdie says he feels "not good, really" about having the epithet applied to him, what with its implication of escapism.

"I grew up in a literary tradition — one can mention the 'Arabian Nights,' for instance, in which it was clearly understood that stories were untrue — where horses flew and so did carpets," he says. "And in spite of that blatant untruth, they reached for a deeper truth. So I grew up in a world in which it was understood that fiction was a lie — and the paradox was that the lie told the truth.

"It seems to me that the world is not naturalistic. Naturalism is based on the idea that one thing happens at a time. But the common experience of all of us is that many things happen at once — that at any given moment of our lives we may be suffering from a hangover, affected by a conversation we had yesterday, worried about a financial difficulty we have to solve in the next couple of months, having this conversation, unwell, crossed in love."

The look on Rushdie's face just now suggests all of these sensations.

"It seems to me that the central point," he goes on, "is that reality is not realistic. And that if those novels — my novels — reflect the grotesque, gargantuan, surrealistic reality in which we all live, then those are the realistic novels, and the ones that take place in middle-class houses on Long Island are the ones that aren't telling the truth."

PEOPLE

Pentagon Lends a Hand On an Eastwood Script

It wasn't his new stature as mayor of Carmel, California, that made the Pentagon change its mind about helping **Clint Eastwood** with his next movie, "Heartbreak Ridge." It was the Pentagon-mandated changes Eastwood made in the script. The Defense Department didn't like the original version's because it had "excessive brutality by a noncommissioned officer toward trainees." The Pentagon also said it inaccurately portrayed the Grenada invasion and said the film couldn't show a marine making a call to U.S. headquarters with a telephone credit card. In fact, a soldier did make such a credit card call during the invasion to coordinate a portion of the operation.

□

Constantine Karamanlis, 79, the former president of Greece, has turned down an invitation to visit the United States and receive an honorary degree from Harvard, the Athens News Agency reported. The agency said that Harvard had informed the former president in March of its decision to grant him an honorary doctorate at the commencement ceremony June 4. The agency said that, according to his office, "Karamanlis, unable to travel at this specific period, canceled his visit and thanked the university for its decision to honor him."

□

Antonio Jacinto, independent Angola's first culture minister and a former anti-colonialist guerrilla, has won a prize for his poetry. Jacinto, born in 1924, was awarded the $3,000 Noma Award for Publishing in Africa for his Portuguese-language collection of poems, "Surviving Santiago's Tarrafal," the prize's administrators said in London. Tarrafal is the name of the Cape Verde island prison in which Portuguese colonial authorities incarcerated Jacinto.

□

Denmark Monday celebrated the coming of age of **Crown Prince Frederik**, who has turned 18. Waving to a girls' choir singing outside his palace window, the prince attended his first Council of State and drove through Copenhagen, past cheering crowds, in an open carriage, accompanied by his mother, Queen Margrethe.

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DURBAN & COAST LOCAL DIVISION
CASE No. 5854/85
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KATHLEEN GREAVES DEFENDANT
(born NIXON)
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G.M. EVERITT
EVERITT & TATE, Plaintiff's Attorneys
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